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9 July 1984

# China Report

ECONOMIC AFFAIRS

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## ECONOMIC AFFAIRS

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# NATIONAL POLICY AND ISSUES

## FINANCIAL STATISTICS FOR 4TH QUARTER OF 1982

Beijing ZHONGGUO JINRONG [CHINA'S BANKING] in Chinese No 4, Apr 84 p 61

### Bank Credit Receipts and Payments (4th Quarter of 1982)

RMB 100 million

<u>Item</u>	<u>Value (end of the 4th quarter)</u>
Domestic deposits	2,287.14
Enterprise deposits	717.88
Budgetary deposits	175.76
Capital construction deposits	284.80
Deposits of government agencies and public organizations	331.43
Urban savings deposits	447.33
Rural savings deposits	329.94
Deposits of international monetary institutions	52.41
Currency in circulation	439.12
Funds of banks	518.29
Current balance of profit and loss accounts	36.68
Others	81.60
All Receipts	3,415.24
<hr/>	
Loans	3,052.27
Loans to industrial production enterprises	526.72
Loans to industrial supply and marketing enterprises and materials supply departments	239.85
Commercial loans	1,788.21
Equipment loans, medium and short term	151.98
Loans to collective and individual industrial and commercial units in urban areas	133.06
Loans as advance payments	7.43
Loans to state farms	19.81
Loans to rural communes, production birgades and teams	185.21
Gold	12.04
Foreign exchange	142.79
Assets in IMF	37.91
Claims on the Government	170.23
All Payments	3,415.24



Deposits and Loans of Rural Credit Cooperatives  
(4th Quarter of 1982)

RMB 100 million

<u>Item</u>	<u>Value</u> <u>(end of the 4th quarter)</u>
Total value of deposits	389.88
By communes, production brigades and teams	121.06
By enterprises in communes, brigades and teams	33.66
By individual commune members	228.11
By others	7.05
Total value of loans	121.15
For agricultural production	34.76
To enterprises in communes, brigades and teams	42.30
To individual commune members	44.09

EXCHANGE RATE, GOLD AND FOREIGN EXCHANGE RESERVES  
(4th Quarter of 1982)

<u>Item</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Exchange Rate:			
Conversion of one SDR into how many RMB (quarter-end figure)	2.1243	2.1328	2.1270
Conversion of \$1.00 into how many RMB (quarter-end figure)	1.9996	1.9757	1.9227
Conversion of \$1.00 into how many RMB (average figure)	1.9822	1.9941	1.9399
Gold and Foreign Exchange Reserves			
Foreign exchange (US\$100 million)	99.52	104.72	111.25
Gold (10 thousand oz.)	1,267	1,267	1,267

CSO: 4006/577

PROVINCIAL AFFAIRS

XINJIANG: ISMAIL AMAT GIVES GOVERNMENT WORK REPORT

HK190227 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Jun 84

[Excerpts] The second session of the sixth regional people's congress held a full session this afternoon. Ismail Amat, chairman of the regional government, delivered a government work report. Executive Chairman Tomur Dawamat presided at the session.

Ismail Amat's government work report was in three parts: 1) the achievements in work in 1983; 2) speed up the pace of structural reform; 3) strive to make success of work in 1984. He said: The year 1983 was the first year in creating a new situation in all fields of socialist modernization. Under the leadership of the CPC Central Committee, the State Council, and the regional CPC committee, the government at all levels and the people of all nationalities in Xinjiang have resolutely implemented the spirit of the 12th Party Congress and the 1st session of the 6th NPC and united as one in working hard, with the result that all undertakings in the region have taken a great stride forward. The past year was the best since the 3d Plenary Session of the 11th Central Committee and one of the best periods in the region's history.

In the second part of his report, Ismail Amat pointed out: At present our region is on the verge of major development. It is of particularly great importance to carry out reforms of the economic setup. We must summon up resolve and take effective action to get a thoroughly good and effective grasp of reforming the setup, and create a new situation in economic work in the region. In connection with the actual conditions in the region, he proposed that urban economic reforms should be promoted in the following 14 aspects:

1. Reform the urban economic management setup.
2. Carry out all-round reform in the building trade.
3. Actively promote various types of contract responsibility systems.
4. Relax the criteria for small state-owned industrial enterprises.
5. Make bold use of foreign investment and give free rein to importing advanced technology and equipment.

6. Organize pilot projects in reforming the wage system.
7. Change the method whereby the autonomous region exercises overall control of development capital.
8. Expand the production management powers and economic distribution powers of collective and cooperative enterprises in the No 2 light industry system.
9. Carry out reforms of the commercial setup.
10. Speed up the reform of the rural circulation setup.
11. Establish materials exchange markets in a planned and methodical way.
12. Experiment with floating prices of a number of products.
13. Actively carry out reforms in the education, science, and culture systems.
14. Warmly welcome domestic and foreign entrepreneurs to Xinjiang to set up various undertakings.

On the work tasks for this year, Ismail Amat said: This year we must continue to uphold the principle of building the two civilizations simultaneously, focus on economic construction, and press forward all undertakings in the region. The region's political and economic situation should be even better than last year. Economic results in production, construction, and circulation should be higher than last year. We should strive to ensure that the growth of tax, profit, and revenue exceeds that of output value. Capital construction, especially projects for water conservancy, communications, electric power, building materials, and other key projects, must be completed according to plan. There must be new developments in the building of spiritual civilization. There should be some improvement in the people's material and cultural living standards.

Ismail Amat emphasized: In economic work this year, we must strive to achieve four new breakthroughs: in improving the quality of the enterprises through carrying out enterprise consolidation; in enlivening the economy through vigorously promoting reforms; in stimulating technological progress through vigorously grasping science and technology; and in coordinating industry and commerce through grasping commodity circulation work.

Other executive chairmen present at today's session were Wang Enmao, Saifulayefu, Yang Yiqing, Lu Xuebin, Caodanuofu, Ren Gebai, Abuliezi Muhemaiti, Huang Yuchen, Mayinuer, Yu Zhanlin, Simayi Mahusude, Wang Heting, and Husaiyin Sixabayefu.

In his government work report, Ismail Amat cited 10 achievements of Xinjiang in 1983, as follows:

1. There was an all-round increase in industrial and agricultural output, and all economic indices were fulfilled or overfulfilled.

2. There was a marked improvement in economic results, and synchronous growth of output value, tax and profits, and revenue.
3. The urban and rural markets were prosperous and business was brisk.
4. Continual progress was made in science and technology.
5. The structure of education was readjusted, and schooling conditions were further improved.
6. The region implemented the policy of opening up to the world, and made new progress in foreign trade and foreign affairs work.
7. Urban and rural living standards rose.
8. Propaganda, journalism, and publishing work was strengthened and the political and cultural qualities of the people of all nationalities were improved.
9. Public security and judicial work was strengthened and hard blows were dealt at criminal activities.
10. Nationality unity was further strengthened, guaranteeing the smooth progress of economic construction and all other work.

Ismail Amat pointed out in his report: The region is now on the verge of major development. It is particularly important to carry out reforms of the economic setup. We must summon up resolve and take effective action to get a thoroughly good and effective grasp of reforming the economic setup.

He said: Xinjiang's economic foundation is weak. Its standard of management is low and its ability to adapt to changes is poor. We cannot suit the new situation and undertake the new tasks without carrying out reforms. We could thus hardly promote the smooth development of commodity production and fully tap the potentials of the enterprises to create still more wealth for society. We must further emancipate our minds, completely get rid of leftist bindings, and be enthusiastic in supporting and carrying out reform. All departments must streamline their administration, hand down powers to the lower levels, untie the ropes for the enterprises, work in concert, and co-operate closely to create conditions for reform and make positive contributions to enlivening the enterprises and circulation and creating a new situation in the region's economic work.

Ismail Amat pointed out: The region has scored notable achievements in rural reforms in the course of several years of effort. However, we certainly cannot rest content with that. We must continue to investigate and study, sum up experiences, and continually carry out reforms in depth. In rural reforms this year, we must further implement the two central No 1 documents, stabilize

and perfect the production contract responsibility systems with payment linked to output, based on the household, and actively develop specialized households and all kinds of economic combines and township enterprises. We should continue to improve the structure of agriculture, further relax the policies, and vigorously support and help the peasants and herdsmen in developing commodity production. We should give them free rein to engage in diversification and get rich through hard work.

Ismail Amat stressed: Although in carrying out urban reforms we have got a good grasp of enterprise reform, taken the first step in substituting tax payment for profit delivery, and set up pilot projects in some enterprises in economic responsibility system and reforms of the wage system and so on, the pace has been slow and cannot match the new situation we are facing. In the future we must focus reforms of the economic setup on the urban areas. We must establish the overall concept and adopt effective measures to speed up the pace of urban reform.

Ismail Amat announced in his report: This year we will carry out all-round reforms in the building trade and truly run this trade as a department of great vitality.

CSO: 4006/594

## ECONOMIC PLANNING

### SHANDONG: QINGDAO MAYOR'S SPEECH ON DEVELOPMENT OF QINGDAO

SK180423 Jinan DAZHONG RIBAO in Chinese 21 May 84 p 1

[Comment to a reporter by Mayor of Qingdao City Zang Kun [5258, 0981] on the issue on Qingdao City's further implementing the open door policy]

[Text] Further opening of the coastal port cities is a great strategic policy decision of the Central Secretariat and the State Council on implementing Deng Xiaoping's guiding ideology that China should implement its open door policy on a broader scale instead of retreating from it, as well as new important step for opening up to the outside world. The great majority of cadres and people in Qingdao City warmly support and are resolutely implementing the great policy decision of the central authority. We should make good and full preparations for and strive to create a new situation in using foreign capital and advanced foreign technology.

He said: Qingdao is an important port city. The light and textile industries are well developed. We have a number of top-quality and famous brand products which are enjoying a good domestic and foreign market and are being sold to over 120 countries and regions. Our outskirts areas have rich resources for agricultural products. We have many universities and colleges that exchanged science and technology with developed countries in a rapid manner in recent years and have a certain ability to absorb and digest advanced technology. We also have favorable port conditions and good sea, land, and air communications, transport and telecommunications. In the past 5 years, the total purchasing value of export commodities showed an average annual increase of 12 percent. We also made great progress in using foreign capital and importing technology. To date, we have imported over 100 items, established economic and technological ties with many countries, established economic and technological ties with many countries, and accumulated experience. Mayor Zang Kun held: Qingdao has broad prospects for further opening up to the outside world and establishing an economic development zone. After realizing the use of foreign capital for the 88 items and technology import, which were approved by the state, this year, we will be able to conduct technological transformation among 76 enterprises in 10 trades. After the state further relaxes several restrictive policies and carries out reforms of the existing management system, we will enthusiastically combine the use of foreign funds, materials resources, technology, talented persons, and

other resources with the restructuring of city industry and technology transformation so as to accelerate the economic development. We have favorable conditions for establishing the Huangdao economic development zone. A port with an annual handling capacity of over 40 million tons can be established in the central section and an area and reserve base for the processing industry can be established in the northwest section. The south section can be opened as a tour and summer resort with nearby mountains, the sea, and broad sandy beaches. We have confidence in building Qingdao into a modern, tourist, port city in this century, in which light and textile industries are well developed, the economy is prosperous, the environment is beautiful, and scientific research and cultural undertakings are well developed.

Zang Kun said: In order to make preparations for further opening up to the outside world, we are presently speeding up the following tasks: 1) Set up a leading organization and install two work bodies of specialists and technological personnel to work on using foreign capital, importing technology, and conducting technological transformation among existing enterprises and to make preparations for establishing the Huangdao economic development zone. At present, we are selecting and transferring cadres and technological personnel from all trades and professions to conduct the training work. 2) Accelerate the pace of using foreign capital and importing technology. All industrial and commercial enterprises made the most of all convenient conditions to hold trade talks with foreign businessmen. Some have organized special groups to discuss ways for using foreign capital and importing technology. Some industrial and commercial enterprises also set forth opinions on establishing a group of joint-invested, integrated economic, and foreign monopoly capital economic projects at the development zone. 3) Accelerate the construction of urban basic facilities. The expansion project of Qingdao port and the multiple-track project of the Jiaozhouwan-Jinan railway are under rapid construction. We have made preparations for the construction of Huangdao Xin harbor, Huangdao-Jiaoji railway, Qingdao-Huangdao ferry project, and a 10,000-line electronic program control automatic telephone project. We plan to rebuild the Qingdao civil airport into an international one, to increase domestic and international air lines and to solve our difficulties in using water and power. We also are preparing a report to request state approval to build a microwave communications facility and a satellite ground reception station in Qingdao. After the completion of these projects, Qingdao will be an international hub of communications and have favorable conditions for drawing foreign capital. We have decided to make good preparations in all fields for rapidly creating a new situation in further opening up to the outside world and establishing an economic development zone.

CSO: 4006/594

## ECONOMIC PLANNING

### HUBEI: EXPERTS AT FORUM ON WUHAN'S ECONOMIC REFORM

HK151307 Wuhan HUBEI RIBAO in Chinese 4 Jun 84 p 1

[Report: "Provincial and City Leaders Invite Noted Scholars and Experts to a Forum and Listen to Their Opinions on Comprehensive Reform of Wuhan's Economic System"]

[Text] Yesterday afternoon, more than 20 famous experts and scholars attended a forum on Wuhan's economic and social development strategy and theories for a comprehensive reform of Wuhan's economic system at the invitation of provincial and city leading comrades. They put forward various proposals and ideas on reforming Wuhan's economic system.

Among provincial and city leaders attending the meeting were Tian Ying and Wu Guanzheng.

Wang Qun, deputy secretary of the provincial party committee and first secretary of the Wuhan City party committee, presided over the forum. He said: The party central leadership and the State Council have approved the pilot scheme for restructuring Wuhan's economy in a comprehensive way. In order to make the reform scheme a success, it is hoped that experts attending this forum will put forward their valuable proposals and ideas.

People making speeches at the forum included Ma Bin, deputy general director of the economic research center of the State Council, Zhang Xuansan, an adviser to the Industrial Economics Research Institute of the Chinese Academy of Social Sciences, Chen Dongsheng, an associate research fellow of the Industrial Economics Research Institute of the Chinese Academy of Social Sciences, Chen Bocun, a member of the national CPPCC Standing Committee, and Tong Dalin, vice minister of the State Commission for Structural Reform [quo jia ti zhi gai ge wei yuan hui 0948 1367 7555 0455 2395 7245 1201 0765 2585].

With regard to the issue of how to successfully carry out the pilot scheme for a comprehensive reform of Wuhan's economic system, comrades who made speeches at the forum mainly put forward the following opinions: 1. It is necessary to realize Wuhan's position and role in the national economic and social development strategy and to realize the necessity of structural



reform. 2. Technical transformation should be carried out in traditional industries, which can be reorganized and integrated, so as to facilitate the introduction and application of advanced and new technology. At present, efforts should also be made to fully utilize the existing production capacity. 3. It is necessary to attach greater importance to the development of intellectual resources. 4. It is necessary to realize that carrying out a comprehensive reform of the economic system is an arduous task and needs painstaking efforts so as to establish confidence in final success and to carry out the reform in a down-to-earth manner. Tong Dalin said: In the course of reforms, Wuhan should win a good reputation in two points. First, it must show more respect for intellectuals and become more attractive to intellectuals. Second, it should give the green light to all reform measures. He said: "The authorities should have the courage to practice measures which are 'reasonable but not conformable to the existing system.'" Comrade Wang Qun also agreed with this idea.

Wu Liangping, adviser to the central party school, and Pan Qi, vice minister of communications, were also invited to the forum.

CSO: 4006/594

## ECONOMIC PLANNING

### HUBEI: WUHAN CITY ECONOMIC REFORM SCHEME DRAW UP

HK1606036 Wuhan HUBEI RIBAO in Chinese 4 Jun 84 p 1

[Report: "Wuhan Draws up Scheme for Comprehensive Reform of Economic Setup"]

[Text] The CPC Central Committee and State Council have approved the decision of the provincial CPC committee and government to carry out a pilot project on comprehensive reform of the economic setup in Wuhan City. The city people's government has already drawn up a specific scheme for the reforms.

The scheme proposes that, through carrying out comprehensive reform of the economic setup, the superior features of Wuhan City should be brought into full play and economic means should be applied to link up ministries with regions and urban with rural areas, to form an economic network centered on Wuhan City, and to gradually build Wuhan City into the largest domestic and external trade center in the interior of China, a city that is open to the world through being a port in the interior and through a variety of functions. The city's role as a center of industry, science and technology, finance, culture and education, and information should be further brought into play, and its attraction and radiation power should be strengthened. Based on the realities of Wuhan, and taking communications and circulation as the points of breakthrough, a whole series of reforms should be carried out in a planned and methodical way.

1. Institute all-round separate listing in the plans. Wuhan City is to be a planning unit equivalent to a province, and its targets for economic, scientific and technological, and social development plans should be given full separate listing. This will be beneficial for organizing the city's economic activities in accordance with the objective laws of economic development.
2. Without changing the city's administrative relationship as a unit directly subordinate to the province, the state will give Wuhan City the economic management powers equivalent to those of a province. The provincial departments concerned will continue to exercise "overall planning, services, coordination, and supervision." They will help Wuhan City to carry out the reforms and explore new paths for the reform of a provincial capital.

3. Open up markets and enliven circulation. Second-grade wholesale centers of commercial units subordinate to the province will be handed down to the city, coordination of centers and companies will be instituted, various types of trade centers will be developed, a new circulation setup will be established, and 10 industrial product trade centers, 10 agricultural sideline, and indigenous product trade centers, and 10 large agricultural and sideline product wholesale markets will be set up. Ten commerce streets, each with its own characteristics, will be promoted. Various types of joint ventures will be organized. The supply and marketing cooperative setup will be reformed to turn it into a mass cooperative enterprise and a comprehensive rural service center. A material supply system centered on Wuhan City will be instituted, material exchange centers will be set up, and regulation by market mechanism will be carried out.
4. Establish a comprehensive communications network and develop navigation on the Chang Jiang. A three-dimensional water, land, and air transport network will be set up, with the emphasis on water transport.
5. Wuhan City will be listed as a port for external trade, to promote economic exchanges between the interior and the outside world. A small economic development zone will be set up between Yangluo harbor and Baihushan and a number of special economic zone policies will be practiced there; joint and cooperative ventures and enterprises run purely with foreign capital will be concentrated there. A number of special policies will be adopted to attract capital, technology, and talent, to turn this into a new-style small economic development zone of a certain size in the interior of China with an international port.
6. Actively develop crosswise economic ties and speed up the reorganization of enterprises and the formation of combines. Production combines should be organized, with the large, backbone enterprises as their main components; joint ventures between processing industries and resource-producing areas should be organized; "coordinated process" cooperation should be promoted, focusing on key products; there should be combination of production and sales; "large and complete" or "small and complete" enterprises whose products and crafts are almost the same should switch from completeness to specialization and practice joint operations. Specialized processing centers should gradually be formed.
7. Speed up technological transformation and promote technological progress.
8. Step up the exploitation of brain-power and integrate science and technology, production, and education. The Donghu district should be run as a knowledge- and technology-intensive small zone combining technology and trade and integrating teaching, research, design, production, and sales, and as an interior base of the laser industry, optical fiber telecommunications, and biological engineering. The "Wuhan Science and Technology Services Center," the "Workers' Technical Training Center," and the "Preemployment Training Center" should be set up, and economic, technological, and market information centers should be established, gradually forming a comprehensive information network.

9. Streamline the administration and hand down powers to the lower levels. Do a good job of substituting tax payments for profit delivery; further promote various types of economic contract responsibility systems; and put the labor and personnel powers and production management powers of plant directors (managers) on a sound basis.

10. Do a good job of the work of having the city lead the counties, and improve the level of commodity production. Support the specialized households and combines, develop household and township industries, set up four networks for industry, circulation, science and technology, and finance and credits, and promote the development of commodity production in the suburban counties.

CSO: 4006/594

## ECONOMIC PLANNING

### HUBEI GOVERNOR DISCUSSES WUHAN'S KEY ROLE

HK200724 Wuhan HUBEI RIBAO in Chinese 4 Jun 84 p 1

[Report: "Huang Zhizhen Stresses the Need To Give Play to Wuhan's Role as a Key Economic City"]

[Text] In his speech delivered at a discussion on economic and social development strategy and theories on the comprehensive reform of the economic system of Wuhan held on 2 June, Provincial Governor Huang Zhizhen stressed the need to give play to Wuhan's role as a key economic city.

Huang Zhizhen said: Today, many noted experts and scholars are gathering in Wuhan to discuss matters of primary importance on the strategy for Wuhan's economic development and the comprehensive reform of the city's economic system. A discussion of strategy on such a large scale and at such a high level is unprecedented in the history of Wuhan and Hubei Province. It will play a great role in giving impetus to and promoting the study of the strategy for the development of Wuhan.

He added: Wuhan is one of the biggest cities in China. Through the construction carried out over the past 30 years or so, the city has become a comprehensive industrial base with stress on metallurgy, machinery, and textiles. This industrial base has also achieved initial results in developing light industry, chemical engineering, shipping, building material industry, electronics, and so forth. Wuhan has now become the biggest economic center in the interior of China. In 1982, the industrial fixed asset value and total industrial output value of Wuhan were about 11 billion yuan, accounting for 40 percent of the industrial fixed asset value and total industrial output value of the whole province. With regard to industrial fixed assets, industrial total output value, profit tax turned over to the state, and scientific and technical capability, Wuhan is second only to some big cities in the country such as Beijing, Tianjin and Shanghai. Wuhan has many favorable natural conditions. With regard to its geographical position, Wuhan is located in the central part of the hinterland of China and the middle reaches of the Chang Jiang. Objectively, it is a "strong point" and "relay center" playing the role of linking itself with the coastal areas in the east and supporting the vast interior areas. It is an important new task facing us to give full play to Wuhan's role as a key city. In the past, we neither did sufficient work to study this issue, nor firmly grasped the work of

reforming the economic system. Recently, the provincial CPC committee and provincial government studied the issue of reform in Wuhan, and submitted a special report to the central authorities and the State Council. With the approval of the State Council, the Wuhan City plan has been made a priority item, and comprehensive reforms of the city economic system have been carried out in Wuhan on a trial basis. This is a matter of great significance for going further into the strategy for the development of Wuhan, and giving play to Wuhan's role as a key economic city. The CPC Central Committee and the State Council have placed great hopes in Wuhan, and assigned important tasks to Wuhan and Hubei Province. The provincial CPC committee and provincial government as well as various departments under them should resolutely implement the directives issued by the CPC Central Committee and the State Council, and actively support the comprehensive reform of the economic system of Wuhan. To us, the opening of this discussion at this time is a driving force which we can make use of. We believe that due to the concerted efforts of the experts and scholars present, this discussion will achieve fruitful results, and vigorously promote the development of the work of the comprehensive reform of the economic system of Wuhan and Hubei Province.

He continued: Since the 3d Plenary Session of the 11th CPC Central Committee, our province has paid attention to investigating and studying some important problems concerning economic construction. In accordance with the strategic objectives of quadrupling the gross annual output value of industrial and agricultural production by the end of this century set by the 12th CPC National Congress, and the instructions issued by Comrade Hu Yaobang when he was inspecting the province that Hubei should stand in the forefront of the four modernizations, early last year Comrade Guan Guangfu led and organized various prefectures, cities, various departments under the provincial CPC committee and provincial government, various universities and colleges, scientific research units, and large-scale key enterprises to carry out an all-round investigation and study on strategies for the development of Hubei's economy. A large-scale discussion was held in September last year. All these have greatly helped the provincial CPC committee study strategy for development, work out correct policy decisions, and propose long-term objectives of development, guiding principles, and measures at the provincial party congress. This discussion has provided us with a good opportunity to learn from you and ask for your advice. We sincerely hope that all the experts and scholars present will put forth more opinions and spare no efforts to give advice in the interest of the future development of strategy and reform of the economic system of Wuhan and Hubei Province. In so doing, their wisdom will shine with dazzling splendor in the four modernizations of Hubei.

COS: 4006/594

## AGGREGATE ECONOMIC DATA

### COMMUNIQUE ON 1983 ECONOMIC DEVELOPMENT

SK190453 Jinan DAZHONG RIBAO in Chinese 26 May 84 p 2

[Shandong Provincial Statistical Bureau's Communique on Fulfillment of 1983 Economic and Social Development Plan]

[Text] Under the leadership of the CPC Central Committee, the State Council, the provincial CPC committee, and the provincial people's government, in 1983, majority of the people in our province deeply implemented the guidelines of the 12th party congress, continued to implement the principle of readjusting, restructuring, consolidating, and improving the national economy, vigorously raised economic results, enthusiastically pressed forward reforms in all fields, and made new achievements in economic construction and social development. The total value of social output was 77.98 billion yuan, a 10.4-percent increase over the previous year. Of this, the total value of industrial and agricultural production was 66.63 billion yuan, a 12.2-percent increase over the previous year. The preliminary calculation of the national income was 34.73 billion yuan, a 9.8-percent increase over the previous year. The national income, total agricultural output value, and output of 42 principal industrial and agricultural products, including grain, cotton, flue-cured tobacco, fruit, crude oil, steel products, synthetic ammonia, and small tractors were prefulfilled by 2 years and exceeded our province's 1985 targets stipulated at the Sixth Five-Year Plan. On the basis of industrial and agricultural production development, markets were brisk and flourishing, revenue and expenditure were balanced with a little surplus, and the livelihood of urban and rural people was further improved. New progress was made in the construction of socialist spiritual civilization. Principal problems in economic development were: Transport was strained and energy resources lacking. The production, construction, and circulation fields did not score sufficient economic results. The development of consumer goods for daily use did not meet the increasing social purchasing capability. Some products with high prices were poor in quality and lacked competitiveness. The retail prices of commodities, especially vegetables, fruits, and aquatic products, substantially rose.

## 1. Agriculture

In 1983, rural areas in our province comprehensively implemented and further perfected the system of contracted responsibility on the household basis linking payment to output, firmly attended to grain production, enthusiastically developed a diversified economy, vigorously promoted fine breeds and some agricultural science, and technology, overcame various natural disasters, and comprehensively reaped a bumper agricultural harvest.

In 1983, the total agricultural output value was 26.07 billion yuan, overfulfilling the annual plan by 11.9 percent and showing a 15.4-percent increase over the previous year. Of this, agriculture (cropping) accounted for 17.57 billion yuan, a 16.5-percent increase over the previous year. Animal husbandry accounted for 3.14 billion yuan, a 3.5-percent increase over the previous year. Sideline occupation accounted for 4.27 billion yuan, a 26.5-percent increase. Fishery accounted for 590 million yuan, a 4.3-percent increase. In 1983, doubling the total value of agricultural output over 1978 were 51 counties (cities) and districts, including Changqing, Caixi, Yidu, Changyi, Gaomi, Zhucheng, Weixian, Huimin, Binxian, Yangxin, Guangrao, Boxing, Zouxian, Gaoqing, Dezhou, Lingxian, Pingyuan, Xiajin, Wucheng, Qihe, Yucheng, Dongling, Linyi, Shanghe, Jiyang, Ningjin, Yanggu, Shenxian, Chiping, Donga, Gaotang, Linqing, Jinxiang, Jiexiang, Yancheng, Cangshan, Junan, Juxian, Feixian, Caoxian, Dingtao, Juye, Liangshena, Yuncheng, Juancheng, Dongming, Liaocheng City, Heze City, Xiecheng District, Fengcheng District, and Taierzhuang District.

Most output plans for principal agricultural products were fulfilled or overfulfilled. The output of grain was 54 billion jin, overfulfilling the plan by 12.5 percent and a 13.7-percent increase over the previous year. The output of cotton was 24.5 million dan, overfulfilling the plan by 36.1 percent and showing a 27.6-percent increase. The output of peanuts was 30 million dan, overfulfilling the plan by 3.5 percent and showing a 7.1-percent increase. The output of flaxes, silkworm cocoon, and fruit registered increases over the previous year.

The output of principal agricultural products were as follows:

	1983	% increase over 1982
Grain	54 billion jin	13.7
Of this: wheat	24 billion jin	45.6
Cotton	24.5 million dan	27.6
Oil-bearing crops	30.391 million dan	6.6
Of this: peanut	30 million dan	7.1
Flax	1.157 million dan	3.1
Tobacco leaf	4.421 million dan	-37.3
Silkworm cocoon	244,000 dan	3.1
Fruit	4.21 billion jin	36.3
Of this: apple	2.87 billion jin	54.4



Mass afforestation campaign was further carried out in the province in 1983. The afforested area during the year came to 1.533 million mu, surpassing the state plan by 39.3 percent, up 53.6 percent over the previous year. Some 626,000 mu of saplings were cultivated, up 51 percent over the previous year. The survival rate of saplings also increased remarkably. The output of major forest products rose from the previous year. Of this, walnuts increased by 29.3 percent, Chinese chestnuts, 14.2 percent, and wild pepper, 28.5 percent.

In animal husbandry, the number of large animals at year end increased over the previous year. However, the number of hogs and sheep in stock at year end decreased to a certain degree.

The output of major animal by-products and the number of livestock at the end of the year follows:

	1983	% increase over 1982
Output of pork, beef, and mutton	1.89 billion jin	-0.5
Of which:		
pork	1.73 billion jin	-3.2
beef	50 million jin	102.
mutton	110 million jin	28.7
Milk	38.44 million jin	22.9
Sheep wool and goat hair	20.61 million jin	-11.6
Of which:		
sheep wool	18.38 million jin	-10.3
Hogs slaughtered	11.59 million head	-4.5
Hogs in stock at year end	15.63 million head	-9.5
Large animals at year end	3.82 million head	5.
Of which:		
cattle	2.22 million head	4.
sheep and goats	9.02 million head	-8.9

There was a fairly growth in fishery production. The output of aquatic products in 1983 was 675,000 tons, an increase of 2.6 percent over the previous year. Of this, the total catch of marine products increased 1.9 percent while fresh-water products rose 12.7 percent.

The number of farm machines in use increased remarkably, especially of economical and practical small and medium-sized farm machines. Total capacity of farm machines in the province reached 25.971 million horsepower, 14.1 percent more than at the end of 1982. The number of large and medium-sized tractors was 135,000, up 3.6 percent. The number of small tractors was 159,000, up 18.4 percent. The number of heavy-duty trucks was 21,000, up 43.4 percent. The corresponding figure for irrigation and drainage power equipment was 12.02 million horsepower, up 13.3 percent. At total fo 8.64 million tons of chemical fertilizer was applied during the year, an increase of 850,000 tons or 11 percent over the previous year. Of this, a 12.6-percent increase was registered for nitrogenous fertilizer, 5.8 percent for phosphate fertilizer, and 34.7 percent for compound fertilizers. The total consumption of electricity in the rural areas was 3.65 billion kwh, up 14.3 percent

over the previous year. Improvements were made in the management of the province's water conservancy projects. The province's antidrought capability continued to improve. The effective irrigated areas increased by 810,000 mu.

Forecasts of bad weather by the provincial meteorological departments were fairly accurate and prompt, contributing to preventing and combating natural disasters, and reducing losses.

## 2. Industry

In the 1983 industrial production, the province centered its work on raising economic results, and continued to carry out enterprise consolidation. The whole production situation was fine and marked improvements were made in achieving economic and technical norms. Production, profits, and taxes increased simultaneously. The total industrial output value of the year came to 40.56 billion yuan, exceeding the state plan by 6.2 percent, up 10.3 percent over the previous year. The year 1983 saw the greatest annual growth since 1979.

The output of 93 out of the 100 major industrial products met or topped the state plans. They included yarn, cloth, woolen goods, woolen thread, machine-made paper and paper boards, cigarettes, bicycles, cassette recorders, beer, raw coal, electric power output, crude oil, rolled steel, steel, pig iron, sulphuric acid, soda ash, caustic soda, chemical fertilizer, tractors, and hand-guided tractors.

In the 1983 light industrial production, the province further readjusted the structure of products in line with market demands, raised the quality of products, and increased the designs and varieties of products. The total light industrial output value in the year reached 22.45 million yuan, up 9 percent over the previous year.

The output of principal light industrial products were as follows:

	1983	% increase over 1982
Cotton yarn	269,000 tons	0.7
Cloth	1.26 billion meters	-2.1
Of which: chemical fabrics	77.35 million meters	-5.
chemical fibers	8,329 tons	3.1
Woolen piece goods	6.75 million meters	35.9
Silk textiles	48 million meters	3.6
Silk	1,405 tons	-10.1
Gunnysacks	59.44 million	16.4
Machine-made paper and paper board	425,000 tons	15.5
Vegetable oil	343,000 tons	7.1
Beer	155,000 tons	34.1
Salt	2.203 million tons	-10.8
Chemical pharmaceuticals	4,571 tons	12.3
Synthetic detergents	57,000 tons	47.3

	1983	% increase over 1982
Light bulbs	59.144 million	9.
Bicycles	2.33 million	17.2
Sewing machines	497,000	-46.3
Watches	2,748	5.7
TV sets	139,000	34.3
Cassette recorders	91,000	117.5
Household washing machines	125,000	0.1

Through readjustment, we improved service orientation of the heavy industry and expanded its service field. The heavy industrial output went up rapidly. The 1983 heavy industrial output value was 18.11 billion yuan, a 12.1-percent increase over the previous year. Of the heavy industry, the output of petroleum industry increased by 12.7 percent. The output of machinery industry increased by 14.8 percent. Of this, the manufacture of farm tools increased by 25.8 percent. The output of chemical industry increased by 14.9 percent. Of this, the output of chemical fertilizers increased by 16.4 percent. The output value of heavy industrial products supporting agriculture showed substantial increases.

The output of principal heavy industrial products:

	1983	% increase over 1982
Coal	43.851 million tons	3.
Crude oil	18.375 million tons	12.4
Natural gas	1.05 billion cubic meters	8.
Electricity	21.83 billion kwh	7.3
Pig iron	1.292 million tons	7.7
Steel	997,000 tons	10.7
Rolled steel	812,000 tons	5.
Coke (machine-made)	1.247 million tons	10.5
Cement	8.123 million tons	17.8
Plate glass	2.897 million standard cases	9.8
Sulfuric acid	539,000 tons	6.5
Soda ash	221,000 tons	4.9
Caustic soda	132,000 tons	11.3
Chemical fertilizers for agricultural use	1.12 million tons	10.4
Of which: nitrogenous fertilizer	932,000 tons	11.2
phosphate	188,000 tons	6.6
Chemical insecticides	24,000 tons	5.2
Polyvinyl chloride	14,000 tons	0.3
Rubber outer tires	1.678 million	65.2
Rubber inner tires	1.752 million	61.6
Mining equipment	7,289 tons	-1.3
Power generating equipment	115,000 kw	35.3
Transformers	1.687 million kva	7.6

[continued]	1983	% increase over 1982
Machine tools	7,157	12.5
Tractors (over 20 horsepower)	5,150	69.
Small tractors	60,000	73.1
Internal combustion engines (sold as commodities)	3.75 million horsepower	17.4
Railway freight cars	27	35.
Steel ships for civilian use	14,000 tons	3.2

In the course of readjustment, industrial enterprises continuously expanded variety, improved the quality of products, diversified designs and colors, increased the production of top-quality products and further raised their economic results. Sixty-five of the 80 quality indices went up in 1983, an 82-percent increase. Some 10.4 percent of the products reached high quality. Six products won state golden prizes, 1 won golden cup prize, 28 won state silver prizes and 322 were appraised as top-quality products. In 1983, per capital productivity for independently accounting state-owned industrial enterprises increased by 6.9 percent over 1982. The profits of and product sales taxes on industrial enterprises were 5.8 billion yuan, a 9.8-percent increase over the previous year. The number of money-losing enterprises was reduced by 51.4 percent from 1982. The losses from enterprises dropped by 39.4 percent. The turnover period of working funds was shortened from 98.7 days in 1982 to 94.6 days. The per-unit consumption indices of 64 of 80 principal raw materials and fuels were reduced. Certain achievements were made in energy conservation. In 1983, the province saved 1.24 million tons of standard coal. The pace of technological transformation and renewal of products among our province's industrial enterprises was still slow and did not suit the changing markets at home and abroad. Certain light and textile products with high prices were poor in quality and did not suit the social needs. The cost of comparable products of some enterprises rose over 1982.

### 3. Investment in Fixed Assets

Total investment in fixed assets of state-owned units in 1983 came to 4.91 billion yuan, and of urban and rural collective units, 1.92 billion yuan. Housing investment by peasants and urban residents reached 2.81 billion yuan.

Our province scored certain achievements in strictly controlling the scope of capital construction and guaranteeing key construction projects. Of the total investment in fixed assets of state-owned units, investment in capital construction reached 2.48 billion yuan in 1983, a 8.1-percent decrease from the previous year. The local capital construction investment in the province came to 710 million yuan, accounting for 86.3 percent of the plan, thus effectively controlling the scope of investment within the state plan limit.

The progress of key state construction projects accelerated. Of the investment in capital construction, 830 million yuan was for the energy industry, a 160-million-yuan increase over the previous year. The proportion of energy industry investment rose from 24.8 percent in 1982 to 33.3 percent. Investment in transportation, post, and telecommunications reached 860 million

yuan, a 320-million-yuan increase, and the proportion of investment in this aspect rose from 20.1 percent to 34.7 percent. Investment in education and scientific research came to 150 million yuan, up 200 million yuan. The proportion of investment in this aspect rose from 4.7 percent to 5.9 percent. According to the purpose of construction, investment in productive projects reached 1.77 billion yuan, up 9.1 percent over the previous year. The proportion of investment in this aspect rose from 60.1 percent in 1982 to 71.3 percent. Investment in housing, schools, urban facilities, and other nonproductive projects reached 710 million yuan, a 34-percent decline from the previous year. The proportion of investment in this aspect dropped from 39.9 percent to 28.7 percent. Of this, 340 million yuan was for housing construction and the proportion of investment in this aspect dropped from 24.5 percent to 13.9 percent.

Thanks to our efforts to ensure state key projects, the investment in the province's 27 large- and medium-sized projects in 1983 was 1.57 billion yuan. The progress in these projects was much faster than in 1982. The annual plans of these projects were fulfilled. By the end of the year, 11 projects had been completed or put into production partially.

This capital construction investment helped add the following major industrial capacities: 2.01 million tons of coal, 400,000 tons of petroleum (a total of 900,000 tons if the increased capacities from updating equipment and technical transformation are included), 325,000 kw of power generating capacities, 10,000 tons of synthetic ammonia, 6,720 tons of chemical fertilizer, 500,000 tons of cement, 12,000 tons of beer, 80 meters of newly constructed wharfs, 147,000 mu of effective irrigated areas, and 42,000 seats for colleges, and primary and middle schools. Of the capital construction projects of state-owned units, some 1,252 were completed and put into operation, and 246 were partially completed. A total of 4 large- and medium-sized projects and 7 single items of large- and medium-sized projects were completed and put into operation in 1983. Completed energy and communications projects and single item projects that were put into operation included the construction of the Liangzhuang inclined shaft in the Xinwen mining district with an annual capacity of 750,000 tons of coal, the Beizao vertical shaft in the Longkou mining district with an annual capacity of 900,000 tons of coal, the Liangzhuang coal washing plant with an annual capacity of 750,000 tons, the third stage of project of the 125,000 kw of power generators in Shiliquan power plant, and the project of 200,000 kw of power generators of the Huangtai power plant. A total of 102.7 km of the newly constructed double tracking of the Jiaozhouwan-Jinan railway went into operation. Some 135 km of the Yanzhou-Shijiusuo railway track was laid.

The results of capital construction investment were not good. The rate of availability of newly added fixed assets reached 62.5 percent, a 5.8-percent decline from the previous year. The total of completed housing areas reached 4.066 million square meters and the rate of completed housing construction dropped from 57.6 percent in 1982 to 52.9 percent. The construction costs for each square meter of completed housing increased over the previous year.

The technical transformation of the existing enterprises was further strengthened. The investments for updating equipment and technical transformation in state-owned units reached 1.87 billion yuan, up 240 million yuan or 14.7 percent over the previous year. Of this, the proportion of investments in increasing production, and conserving energy dropped from 26.8 percent in 1982 to 26.4 percent. The proportion of investments in increasing product varieties and improving the quality of products rose from 6.5 percent to 7.9 percent.

In 1983, our province further strengthened energy and nonferrous metal prospecting work. Some 3.68 million meters of tunneling was made during the year, up 4.5 percent over the previous year. Some 30 mining areas were discovered and developed and fairly good achievements were made.

#### 4. Transportation and Post Telecommunications

In 1983, our province better fulfilled the production plan of transportation, and post and telecommunications. The province's rotation volume of goods transported by various fronts was 38.36 billion ton-kilometers, up 10.8 percent from 1982. Of this, the volume of railway freight was 30.33 billion ton-kilometers, an increase of 8.6 percent. That of road freight was 5.79 billion ton-kilometers, up 17.2 percent. That of waterway cargo was 2.24 billion ton-kilometers, up 23 percent.

In 1983, the province's gross volume of passenger transportation was 13.93 billion person-kilometers, a 15.9 percent increase over the 1982 figure. Of this, the volume of railway passenger transportation was 8.65 billion person-kilometers, up 14.9 percent. The volume of road passenger transportation was 5.26 billion person-kilometers, up 17.6 percent. The volume of waterway passenger transportation was 20 million person-kilometers, up 7.7 percent.

In 1983, the province's transactions in post and telecommunications amounted to 130 million yuan, up 7.7 percent from 1982. Of this, the number of letters handled went up 0.5 percent. Newspapers and magazines distributed went up 19.6 percent, telegrams up 13.9 percent, long-distance calls up 8.5 percent, and the year-end number of telephone subscribers in urban areas was 10.4 percent over that of 1982.

Economic results improved in the departments of transportation and post and telecommunications. The per-capita productivity for railway transportation was up 4.7 percent from 1982. The average productivity of each locomotive rose 2.5 percent a day. The fuel consumption per 10,000 ton-kilometers of steam engines and diesel locomotives went down 1.5 and 2.8 percent respectively. Profit realized was 27.8 percent more than in 1982. The cost of transportation showed a 0.8 percent decrease compared to the 1982 figure. The deficit of local transportation enterprises decreased from 15.8 percent in 1982 to 2.6 percent in 1983, and their profit up 14.7 percent. The cost of automobile transportation was 0.1 percent less than the 1982 figure and of ship and ferry transportation, 6 percent less than the 1982 figure. The gross income of post and telecommunication enterprises was up 13 percent from

1982, topping the previous peak. The turnover time of fixed circulating funds was 91.4 days, 16 days less than the 1982 period. However, the current situation prevailing in transportation, post and telecommunications still can not meet the need of developing the national economy.

#### 5. Domestic Trade

Markets enjoyed brisk sales and commodity purchases increased. In 1983, the province's total value of commodities purchased by state-owned commercial departments and supply and marketing cooperatives reached 23.4 billion yuan, up 171 percent over 1982. Of this, purchases of farm and sideline products were worth 11.32 billion yuan, up 32.4 percent from 1982. Purchases of major commodities scored an increase over 1982. Of this, purchases of grain reached 14.2 billion jin, up 100 percent over 1982, those of cotton 23.96 million dan, up 28.4 percent over 1982, and those of edible vegetable oil 760 million jin, up 31.2 percent over 1982. The total value of commodities in stock by the end of 1983 was 7.1 percent more than 1982.

Commodity supplies on markets across the province further increased. In 1983, the total value of retail sales was 20.39 billion yuan, a 14.4 percent increase over 1982 and a 13.8 percent increase of social commodities, the sales of consumer goods scored a 14.9 percent increase, and those of means of agricultural production, 112.8 percent increase. Retail sales of major consumer goods also scored an increase. Of this, retail sales of grain scored a 33.7 percent increase over 1982; those of edible vegetable oil, a 25.2 percent increase; those of fresh eggs, a 14 percent increase; those of cigarettes an 11.8 percent increase; those of wine, an 11.8 percent increase; those of cotton-chemical fiber fabrics, a 35.6 percent increase; those of woolen piece goods, a 72.9 percent increase; those of television sets, a 13.4 percent increase; those of recorders, a 210 percent increase; those of electric fans, a 50 percent increase; those of watches, a 25.2 percent increase; and those of cameras scored a 72.2 percent increase over 1982.

Retail sales in all sectors of the economy increased. Of this, total value of retail sales in state-owned commercial departments and supply and marketing cooperatives reached 14.71 billion yuan, a 3.7 percent increase over 1982; that in collectively-owned enterprises, 3.5 billion yuan, a 22.9 percent increase over 1982; and that in individually-owned enterprises, 2.16 billion yuan, a 170 percent increase over 1982. Collective and individual enterprises scored a relatively rapid increase. Of the retail sales of social commodities, the proportion of collective and individual enterprises reached 17.2 percent and 10.6 percent respectively.

Trade in urban and rural peasant markets was brisk. Total business turnover reached 3.19 billion yuan, 14.7 percent more than in the previous year. Turnover of meat, poultry, eggs, aquatic products, and vegetables registered an increase of 25.9 percent.

In 1983, the state adjusted prices of some commodities. Market prices were basically stable, with some increases. Due to the increase of commodities

purchased at negotiated prices, and the increase of above-quota commodities purchased at added prices, the general price index for purchases of farm and sideline products rose 7.2 percent over the previous year. The general price index of retail sales in the year rose 0.5 percent over 1982. Retail prices rose 2.5 percent in the cities and dropped 0.2 percent in the rural areas. Retail prices of foodstuffs went up 0.2 percent, of which fresh vegetables rose 2.9 percent, aquatic products, 6.9 percent, and fruits, 8.3 percent. Medicines rose 2.9 percent. Fuel rose 0.1 percent. Clothing decreased 4.6 percent. Educational and recreational articles dropped 3.8 percent. Articles of everyday use dropped 1.1 percent. The means of agricultural production rose 2.6 percent. The price index for the cost of living of workers and staff in 1983 rose 2.4 percent over the previous year, of which, retail prices for consumer goods rose 2.5 percent and those for services went up 1 percent. There still existed such phenomena as forcing up the prices of certain commodities, willfully increasing the number of commodities to be sold at negotiated prices, and demanding more service fees.

Commercial departments had better economic results in 1983. The profits gained by state commercial departments and supply and marketing cooperatives rose 48.4 percent over the previous year. Circulation cost rate decreased to 8.5 percent from the proceeding year's 9.3 percent. The turnover frequency of working funds was increased 1.66 times from the proceeding year's 1.54 times.

In 1983, supply of commodities on markets was ample. But along with the improvement of the people's living standards, new changes were emerged in consumers' demands. Supply of some quality and brand-name consumer goods fell short of demand. Some commodities with outmoded designs, poor quality and high prices were overstocked and unsalable.

## 6. Foreign Trade and Tourism

In 1983, the province's foreign trade experienced a continued growth. The 1983 total value of imports and exports came to 3.78 billion yuan, a 12.6 percent increase over 1982. The total value of exports was 3.55 billion yuan, a 14.3 percent increase over the 1982 figure. The total value of imports came to 230 million yuan, a reduction of 8 percent from the previous year.

The amount of exported agricultural and sideline products increased 20.1 percent over the previous year and the proportion of these products in total export value rose to 26.9 percent from the previous year's 24.4 percent. The amount of exported handicrafts increased 10.9 percent and its proportion in total export value rose to 8.5 percent from the previous year's 8.4 percent. The amount of exported light and textile products and industrial and mining products registered an increase ranging from 3.6 to 5.3 percent, but the proportion dropped somewhat.

A total of US\$4.955 million in foreign funds was used in 1983, including US\$2.187 million in loans and US\$2.768 million of direct foreign investment.

The tourism industry made further progress. Travel conditions were improved. A total of 16,000 people from 24 countries and regions came to the province



in 1983 on tours and visits and on trade, sporting, scientific and cultural exchanges. There were 13,000 foreigners, and 3,000 overseas Chinese and Chinese compatriots from Hong Kong and Macao. The foreign exchange income from these sources was valued at 8.869 million yuan.

## 7. Science, Education and Culture

Fresh progress was made in science and technology. In 1983, the number of major research results in science and technology came to 977, a 33.5 percent increase over 1982. This included 7 inventions and discoveries approved by the state, a 40 percent increase over 1982. Of them, two inventions received second class national awards, four inventions received third class national awards, and one invention received a fourth class national award. In 1983, 17 scientific and technological problems were solved through joint research. Some of them reached the advanced domestic and international levels.

Educational development continued in the course of readjustment. In 1983, regular schools of higher learning recruited 19,800 students, an increase of 4,100 over 1982, and their students totaled 55,300, 3,500 more than in 1982. Because the students who enrolled in 1977 and 1978 all graduated in 1982, 1983 graduates totaled only 16,800, 6,900 fewer than in 1982. Adult schools of higher learning (including radio and television universities, correspondence universities, evening universities, workers universities and peasants universities) had 47,000 students.

The structure of secondary education continued to be improved. Various types of secondary specialized and vocational schools and vocational classes showed fairly great development. Secondary schools of all types had 3.382 million students, 62,000 fewer than in 1982. Of whom, those at secondary specialized schools totaled 78,000, 11,000 more than in 1982; those at agricultural and vocational middle schools totaled 126,000, 60,000 more than in 1982; those at technical schools totaled 24,000, 2,000 more than in 1982; those at ordinary senior middle schools totaled 371,000, 1,000 more than in 1982; and those at junior middle schools totaled 2.783 million, 133,000 fewer than in 1982.

Due to family planning which resulted in a reduction of school-age children, students at primary schools totaled 9.463 million in 1983, a decline of 325,000 from 1982. School attendance rate of school-age children was 96.6 percent, which was higher than 1982.

Cultural, press, radio and television broadcasting units scored new achievements in promoting the socialist spiritual civilization and in satisfying the people's growing needs in their cultural life. In 1983, the province had 8,998 film projecting units of all types, 157 art performance groups, 142 cultural halls, 2,102 cultural stations, 89 public libraries, 17 museums, 3 radio stations, 22 radio transmission and relay stations, 2 television central stations, and 16 television transmission and relay stations. The province produced 18 radio and television dramas, 20 percent more than in 1982, and published 407 million copies of newspapers, 15.6 percent more than in 1982, 29.99 million copies of magazines, 33.4 percent more than in 1982, and 312 million copies of books and pictures, 13.5 percent more than in 1982.

## 8. Health and Sports

Public health developed after readjustment. By the end of 1983, the province had 122,000 hospital beds, 1.9 percent more than the figure calculated at the end of 1982, and 193,000 professional medical personnel, a 3.5-percent increase over 1982. Of them, personnel of Western medicine totaled 37,000, up 4.7 percent; personnel of traditional Chinese medicine totaled 4,900, up 6.5 percent; and nurses totaled 30,000, up 10.5 percent. The patriotic public health campaign showed development in all localities and the incidence of some diseases dropped to a certain extent.

There was new development in sports. Two of our athletes ranked among the best six at world games and one ranked first at Asian games. At national sports events, our athletes broke 11 national records and 54 provincial ones. Mass sports activities were carried out extensively. The province held 1,151 sports meets at and above the county level with the participation of 392,000 athletes. As many as 1.565 million people reached the state standards for physical training.

## 9. People's Livelihood

Along with the development of industrial and agricultural production, the livelihood of urban and rural people continued to improve. A survey of 1,438 peasant households in 24 counties showed that the per capita net income of peasants in 1983 reached 367.8 yuan (including 337.3 yuan from productive activities and 30.5 yuan from non-credit loans), an increase of 21 percent over the previous year. Average living expenses per capita were 264.4 yuan, an increase of 15 percent. The percentage of peasant households surveyed with an average net income per capita of more than 500 yuan increased from 8.8 percent in 1982 to 20.2 percent. A survey of 430 workers and staff households in 6 cities showed an average annual per capita income of 500.90 yuan available for living expenses, an increase of 2.4 percent. In 1983, a total of 192,000 people were given jobs, including unemployed youths in cities and towns and the year's graduates from colleges, secondary technical schools, and workers' training schools. The year-end figure for workers and staff was 5.707 million, an increase of 103,000 over 1982. Of this, 4.37 million were in state units, an increase of 100,000 over 1982, 1.337 million were in collective units in cities and towns, an increase of 4,000. The year-end figure for individual workers in cities and towns reached 36,000, an increase of 11,000.

The annual wages of workers and staff in 1983 reached 4.42 billion yuan, an increase of 5 percent. Of this, bonuses and wages paid for above-quota piece work came to 560 million yuan, an increase of 12 percent. The average annual cash wage for workers and staff was 789 yuan, an increase of 2.6 percent. Money spent on labor insurance and collective amenities came to 1.11 billion yuan (including pensions for the retired), a rise of 19.4 percent.

Urban and rural savings deposits continued to increase. By the end of 1983, people's savings deposits were 7.3 billion yuan, an increase of 44 percent over 1982.

Housing projects completed by state-run and collective units in cities and towns in 1983 totaled 5.105 million square meters of floor space, 1.93 million less than in 1982. Houses built by individuals in cities and towns and at mining areas came to 3.503 square meters of floor space, an increase of 1.328 million square meters over 1982. Houses built by peasants came to 80.088 million square meters of floor space, an increase of 10.65 million square meters over 1982.

Along with the economic development, improvements were made in support for the aged, disabled, widowed and orphaned. Homes for the aged run by rural collectives numbered 1,327 in 1983. A total of 9,200 old people were supported, an increase of 50 percent over 1982. The number of social welfare institutes and children's welfare institutes in cities and towns was 21, taking care of 2,000 people.

#### 10. Population

The population at the end of 1983 was 75.636 million, a rise of 694,000 people over the previous year.

According to a sample survey of 151,818 people from 864 production teams (residence groups) in 27 counties and cities (districts) throughout the province, the birth rate in 1983 was 15.1 per thousand, the morality rate 6.73 per thousand and the natural growth rate 8.37 per thousand.

CSO: 4006/594

## AGGREGATE ECONOMIC DATA

### BEIJING INCREASES INDUSTRIAL-AGRICULTURAL OUTPUT

HK180440 Beijing BEIJING RIBAO in Chinese 1 Jun 84 p 4

[Article by the Beijing Municipal Statistical Bureau: "The Industrial and Agricultural Production of New Beijing Over the Last 35 Years"]

[Text] Before liberation the level of Beijing's industrial and agricultural production was very low. In 1949 its gross industrial output value was only 170 million yuan. Calculated at fixed prices, this is equal to the output value now produced in 1 and 1/2 days. The per-mu output of grain in the suburbs was only 200 jin, and the gross annual output was 830 million jin, which was less than one-fourth the output in 1983.

Since the founding of New China, under the leadership of the party and the government, great changes have taken place in Beijing's industrial and agricultural production. Beijing has become one of China's important industrial bases. Its gross industrial output value ranks 10th among the 29 provinces, municipalities, and autonomous regions, excluding Taiwan.

Beijing's industrial development over the last 35 years has manifested itself in the following aspects:

1. The speed of development has been fast. Up to the end of 1983, with the state's total investment of 17.55 billion yuan and by using the funds of collective enterprises, Beijing built 4,011 industrial enterprises at the township level and above, thus forming fixed assets of 18.87 billion yuan, which was 216 times the value of fixed assets in 1949. Its gross industrial output value amounted to 25.06 billion yuan, 249 times that of 1949. The average annual increase was 17.6 percent. Light industrial production increased 131.5 times, and heavy industrial production increased 462.6 times.
2. An industrial system covering comparatively complete sectors has been formed. Of the 164 industries classified by the state, Beijing has 149. The electric and machine-building industries, the chemical and petrochemical industries, and the textile industry are the three main pillars of Beijing's industry. The output value of enterprises belonging to these three industrial sectors accounts for over 50 percent of the total industrial output value of the municipality. Some of Beijing's industries occupy important positions in the country: the organic chemical industry ranks first in the

country; the stationery and art goods industry ranks second; the electric and woolen spinning industries rank third; and the leather, sewing, metallurgical, industrial equipment, and household electric appliance industries rank fifth. Some of Beijing's industrial products are among the best products in the country. The output of household refrigerators, plastics, ethylene, and synthetic leather ranks first; the output of household washing machines, miniature processing machines, and iron ore ranks second; and the output of wool, knitting wool, color television sets, computers, cars, and generating equipment ranks third.

3. In the industrial field, Beijing has made great contributions to the country. By the end of 1983, of the 3.674 million persons employed in the municipality, 1.502 million were employed in industrial departments. The amount of profits and taxes delivered to the state by Beijing's industrial departments and units accounted for 4 percent of the country's revenue. The proportion of local revenue obtained from local industrial enterprises amounted to 90 percent. The total amount of profits delivered to the state over the last 35 years was four times as much as state investment.

The agricultural development of the Beijing suburban areas over the last 35 years manifests itself in the following aspects:

1. There has been marked improvement concerning the conditions for production, and the capability to resist natural disasters has increased.

The municipality has built 80 large, medium-sized, and small reservoirs, with a storage capacity of 7.3 billion cubic meters. It has built irrigation projects. It has expanded the irrigated area from 210,000 mu in 1949 to 5 million mu. River floods basically can be controlled. The level of agricultural mechanization has markedly risen. The total power for agricultural machinery amounts to 3.56 million horsepower, and the backward method of cultivating the land by cattle has been fundamentally changed. Scientific farming has developed. An average of 34 jin (weight in kind) of chemical fertilizers is used on each mu of cultivated land. Agricultural chemicals have been introduced into the work of controlling agricultural pests and diseases.

2. The output level has increased by a large margin. In 1983 Beijing's gross agricultural output value was 2.71 billion yuan, a 12-fold increase over 1949. The average annual increase was 7.9 percent. The per-mu output of grain was 829 jin, and the total output was 4.03 billion jin, an increase of three to four times.

3. The scale of nonstaple food production is constantly expanding, and this has laid an initial foundation for Beijing's nonstaple food production. In 1983, the output of vegetables amounted to 3.98 billion jin, an 18-fold increase over 1949. The output of pork was 290 million jin, an 18-fold increase. The output of milk, fruit, watermelons, and freshwater fish increased by a large margin.

Beijing's industrial and agricultural production has been in the ascendant since the 3d Plenary Session of the 11th CPC Central Committee. Beijing's industry has developed by a large margin. Over the last 5 years, light industrial production has increased at a rate of 11.4 percent, faster than the 4.9 percent increase in heavy industrial production. The proportion of light industrial output value to heavy industrial output value changed from 35.5:64.5 in 1978 to 45:55 in 1983. The output value of consumer goods in 5 years was 48.1 billion yuan, exceeding the total output value in the 10 years of the "Cultural Revolution." From 1980 to 1983 in the course of rationally readjusting industrial distribution and controlling industrial pollution, the number of industrial enterprises on Sanwan Road dropped by 97, and the number of enterprises outside Sanwan Road increased by 410. A large number of enterprises have been built in counties and townships on the outskirts of Beijing. In addition, 1,486 electroplating and iron-casting plants have been moved from Sanwan Road, 450 such factories have been ordered to reduce the scale of production and 203 such factories have been merged. This has helped reduce pollution and beautify the environment. To readjust production relations and to expand the decisionmaking rights of enterprises, in 1979, 255 enterprises carried out the system of retaining a certain percentage of profits; in 1980, 10 enterprises practiced "substitution of taxes for delivery of profits;" in 1981, 457 enterprises implemented the principle of "realizing profits on a contract basis," and the Beijing Iron and Steel Plant implemented the principle of delivering progressively increasing profits on a contract basis; and in 1983, all state-run enterprises put into effect the substitution of taxes for the delivery of profits.

The party's economic policy has brought about gratifying changes in agricultural production on the outskirts of Beijing. The readjustment of rural production relations, the implementation of the unified management system, and carrying out the system of contracted responsibilities with payment linked to output have brought into play the initiative of the peasants. As a result there is a labor surplus in the Beijing suburbs. In 1978 the number of peasants engaged in agricultural production accounted for 64 percent of the total, but it has now dropped to 54 percent. Fifty percent of the total number of peasants have gone in for afforestation, animal husbandry, fishery, and sideline production. By the end of 1983, there were 8,891 commune- and brigade-run enterprises. The percentage of marketable agricultural products has rapidly risen. In 1983, the output value of sideline products and of commodities produced by brigade-run enterprises amounted to 2.18 billion yuan, a 200 percent increase over 1978. The percentage of marketable agricultural products rose from 47.3 percent to 72.4 percent. The self-sufficiency rate for eggs rose from 50.6 percent in 1978 to 89.1 percent, the self-sufficiency rate for pork rose from 59.3 percent to 75.8 percent, and the self-sufficiency rate for vegetables, melons, and fruit was even higher. The livelihood of the peasants has markedly improved. In 1983, the per-capita income of the peasants in the Beijing suburbs was 519 yuan. The peasants are beginning to shift from the state of self-sufficiency to that of increasing the percentage of marketable products. Eighty percent of their income is

used to buy consumer goods or for carrying out service trades. The new "four big things" (television sets, cassette recorders, washing machines, and refrigerators) are replacing the old "three big things" (wristwatches, bicycles, and sewing machines).

The achievements in Beijing's industrial and agricultural production over the last 35 years are encouraging. In the four modernizations drive, Beijing will progress in close coordination with the motherland and will usher in a beautiful future.

CSO: 4006/594

## ECONOMIC MANAGEMENT

### COUNTRY FORMULATES NEW ECONOMIC LAWS, REGULATIONS

HK140428 Beijing ZHONGGUO XINWEN SHE in Chinese 0823 GMT 13 Jun 84

[Report: "China Is Actively Formulating New Laws and Regulations for Foreign Economic Activities"--ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 18 Jun (ZHONGGUO XINWEN SHE)--In order to facilitate the use of foreign funds and economic and technological cooperation with foreign countries, China is actively formulating new laws and regulations in this regard.

The new laws and regulations include the company law, the law on enterprises run exclusively on foreign capital, the accounting law, the customs law, the auditing regulations, and the regulation on foreign economic contracts.

This was stated yesterday by Jing Shuping, executive director of the Chinese International Trust and Investment Company and general manager of the Chinese International Economic Consultant Company, at a seminar attended by a group of Chinese and Australian senior executives. He said that foreign friends who invest in China or engage in other forms of economic and technological cooperation with China will thus have full legal guarantees.

Jing Shuping said: Since China promulgated the "Chinese-foreign joint venture law" on 1 July 1979, it has enacted 34 foreign economic laws, regulations, and interim provisions, which contain concrete stipulations on a joint venture's establishment, registration, tax payments, joint operation period, labor management, technology introduction, product sales, and profit distribution. This provides a basic legal guarantee for foreign investment in China and other forms of foreign economic and technological cooperation.

He said: "Of particular importance is the fact that the policy of using foreign capital was enshrined in our country's constitution in 1982. This provides a fundamental guarantee for the legitimate interests of foreign investment in China."

Over the past 5 years, China has made use of foreign funds totalling over \$12 billion and has attracted direct foreign investment in order to run some 2,000 projects and enterprises.



In addition, China has signed investment protection agreements with Sweden, Romania, West Germany, and Canada, and has concluded similar agreements with Switzerland, the United States, France, Japan, Belgium, and Luxembourg.

CSO: 4006/594

## ECONOMIC MANAGEMENT

### HUBEI: MEETING ON COORDINATION WITH WUHAN REFORMS

HK120159 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 11 Jun 84

[Text] The provincial CPC committee and government held a meeting this morning to make arrangements for coordinating the actions of the provincial departments with the Wuhan City pilot project in comprehensive reform of the economic setup. Vice Governor Tian Ying pointed out at the meeting: The comprehensive reform of the economic setup in Wuhan City is being launched under the direct leadership of the provincial CPC committee and government. He demanded that the provincial departments take the initiative in coordinating their actions with Wuhan City, integrate the reform pilot project in Wuhan with the current party rectification, and grasp it as an important content of simultaneous rectification and correction of defects. He also put forward the following specific demands:

1. Bring thinking into line with the idea of speeding up the Wuhan City pilot project.
2. In accordance with the relevant intentions of the central authorities, be resolute in streamlining administration and handing down powers to the lower levels.
3. Take the initiative in discussing reform work with Wuhan City.
4. Formulate reform schemes as quickly as possible. Reforms in planning management, industrial and commercial management, and external economic dealings and trade can advance ahead of reforms in other fields.
5. Make a success of the reforms in Wuahn City by groups, batches, and sectors.

Provincial CPC Committee Deputy Secretary Shen Yinluo spoke at the meeting. He stressed: The comprehensive reform of the economic setup in Wuhan City is mainly under the leadership of the provincial CPC committee and government. The provincial departments must regard it as their own affair. The most important thing at present is to enhance ideological understanding. At the same time, we must rapidly produce plans for coordinating our actions with Wuhan City's reforms. These plans must be of good quality and drawn up on schedule.

CSO: 4006/594

## ECONOMIC MANAGEMENT

### XIZANG: RULES FORMED TO EXPAND POWER OF ENTERPRISES

HK150235 Lhasa Xizang Regional Service in Mandarin 1130 GMT 13 Jun 84

[Text] In order to further mobilize the initiative of enterprises, enliven the economy, enhance the quality of enterprises, and raise economic results, the regional people's government on 25 May promulgated provisional regulations on expanding the decisionmaking power of enterprises.

The regulations point out: Regarding the expansion of the power of production management of enterprises, the management system of directive plans and guiding plans is to be implemented. As to the existing state-run enterprises, the system of ownership by the whole people, operation by the collective, taxation by the state, and responsibility for one's own profits and losses should be practiced. In addition, they may be run by collectives or individuals. As for prefecture-run and city-run enterprises, or small enterprises under the management of administrative organs of the autonomous region, they can be run in accordance with the above methods after approval by their respective administrative organs.

With regard to personnel management the regulations point out: Factory directors, managers, and party secretaries should be appointed by their respective upper-level administrative organs. Assistant directors at the factory level can be nominated by the factory director, subject to the approval by upper-level authorities. Cadres at the middle level of the factory are to be appointed by the factory director. Within the quota for recruiting working personnel in the plans and under the guidance of labor departments, enterprises have the power to recruit workers on a contract basis. They have the right to resist any pressure from any department or individual to force them to accept personnel in violation of the relevant regulations. In accordance with their needs, enterprises have the power to recruit technical and management personnel from inside or outside the region and to decide on their remuneration.

In accordance with the state stipulations, the factory director and manager have the right to reward or punish staff and workers, including promotion of grades or dismissal from the factory.

The regulations announce: With respect to the utilization of funds, enterprises have a greater degree of decisionmaking power. Enterprises have the

power to decide on the scale of wages and bonuses. On the premise of implementing the state's unified criteria of wages, classification of areas for wages, and the relevant subsidy system of our region, enterprises can choose their own form of fixing wages in accordance with the characteristics of their own units. The factory director or manager has the right to promote staff members to higher grades in acknowledgment of their good performance and special contributions. The scope of promotion per year is 3 percent. Expenditures for this purpose can be calculated under the cost category in the accounts. The amount of bonuses given out by an enterprise should be in keeping with its own economic results. The distribution of bonuses should conform to the principle of rewarding the diligent and punishing the lazy, and of more pay for more work. No ceiling in terms of a bonus will be made for those who can overfulfill their tasks, and no floor in terms of wages will be made for those who perform poorly.

The collective-run enterprises should be given a free hand. They can make their own production and marketing plans, including organization of raw materials, production, prices of products, sales, and responsibility for their own profits and losses. The state supports the production of those products with nationality characteristics specially needed by national minorities in terms of capital funds and technology, and preference should be given regarding the supply of steel, timber, gold and silver, and other raw materials. Cooperation should be encouraged and competition should be protected. State-run, collective-run, and individual enterprises from other provinces, autonomous regions, and municipalities are welcome to run enterprises in our region. Joint ventures between enterprises in the region and enterprises from other areas are permitted, whether in the form of contracted projects, factories, or shops.

These regulations will begin trial implementation from 1 July 1984.

CSO: 4006/594

## ECONOMIC MANAGEMENT

### GUANGXI ECONOMIC WORK CONFERENCE CONCLUDES

HK170646 Nanning Guangxi Regional Service in Mandarin 1130 GMT 16 Jun 84

[Excerpts] The regional economic work conference concluded yesterday morning after 11 days in session. Regional CPC Committee Deputy Secretary Huang Yun spoke at the concluding session. The participants focused discussions on policy regulations for enlivening the rural economy and commodity circulation. They also had serious discussions on policy regulations for reforming the supply and marketing cooperative setup, enlivening the handling of grain, relaxing industrial and commercial administrative management, enlivening communications and transport, providing financial support for enlivening the economy, readjusting a number of tax revenue regulations, and reforming science and technology work. Many good amendments and supplements to these provisions were advanced.

The meeting pointed out: Reform is the unchanging tide of history. To vigorously develop the region's economy, it is imperative to be bold in carrying out reforms and relaxing the policies. To do a good job in reforms, it is essential to grasp three key cardinal links: The professional departments must attach importance to reforms and support them; powers must be handed down and ropes untied at each level; and the leaders at all levels must take the lead in participating in the practice of reform and provide careful guidance for it.

In carrying out the current urban economic reforms, we must seriously absorb the lesson of slow understanding and action during the reforms of the rural economic setup, and seriously implement the relevant policy regulations of the State Council and the region, so as to create a new situation in economic work.

The meeting stressed: The bindings of leftist ideology remain the chief obstacle to economic work. The chief expressions of this are: In viewing the question of getting rich, being unable to distinguish between getting rich through hard work and capitalism, and developing a kind of fear of richness; on the question of the contract responsibility system, being affected by the idea of being large and having a higher degree of public ownership, and being accustomed to having everybody eat out of the same big pot and pursuing egalitarianism; on the question of developing production, being

affected by the idea of taking grain as the key link and pursuing single-product economy in economic results, following the tendency to simply pursue output value while neglecting quality, production costs, and economic results; and in the circulation field, being affected by the idea of monopoly in circulation and the bureaucratic style of business. Our region's economy can only develop and take off if these leftist ideological influence are eliminated.

In his closing speech, Comrade Huang Yun summed up the questions raised by the participants during their discussions. His speech was in four parts: Eliminate leftist obstacles; streamline the administration and hand down power to the lower levels; implement the contract system; and ensure economic results. He stressed: vigorous and strong prosperity can only come to the region's economy if we eliminate leftist ideological influence, streamline the administration and hand down powers to the lower levels, and carry out reforms.

CSO: 4006/594

## ECONOMIC MANAGEMENT

### STRESS ROLE OF TRADE CENTERS IN URBAN REFORM

HK211305 Beijing GUANGMING RIBAO in Chinese 10 Jun 84 p 3

[Article by Song Tingming [1345 1694 2494]: "It Is Necessary To Grasp the Trade Centers in Carrying Out Urban Reforms"]

[Text] During the past few years, the reform in our urban economic system has continued to make progress while we have been monitoring the course of this reform. The experiences that we have gained in the pilot projects of reform in Chongqing and Changzhou prove that it is necessary to grasp the trade centers in carrying out urban reform.

Our cities have always been the centers of our industries and commerce. Urban reforms are very complicated and involve many spheres. In carrying out urban reform we must correctly select areas in which to make breakthroughs. Invigorating our enterprises is an important aspect of the reforms, but at the same time, we must establish various kinds of trade centers. Our previous multilink, closed wholesale commercial system that was established in accordance with the division of administrative areas, took shape under historical conditions whereby there was a prolonged shortage of the supply of consumer goods. At that time, this system played an important role in enabling our state to control sources of goods, arrange the market, and stabilize the people's livelihood. Now the situation has changed and large quantities of various kinds of consumer goods have entered our market, therefore, the previous wholesale commercial system cannot meet the demand of our economic development and must be transformed. Establishing trade centers can reduce the links, time, and expenditure of commodity circulation, lower the prices of commodities, promote the development of production, provide convenience for the people's livelihood and facilitate the enlivening of our urban and rural economy.

A trade center should operate in complete accordance with economic laws and be managed by economic methods. It can directly purchase goods from production enterprises, directly supply goods to the units that need the goods, take in and send out goods in large quantities and regulate our market. It gives equal treatment to the customers in all circles; can accept all transactions, large or small; and purchases and sells its goods at will. It is not only able to provide economic information and operate as an agent for

buyers and sellers, but also provides storage and transport facilities and hotel accommodation for its customers; therefore, its business is particularly prosperous. Except for a few kinds of commodities in short supply, we can establish trade centers for agricultural, guidelines, and local special commodities as well as for industrial products. We can also set up comprehensive trade centers that handle both industrial and agricultural products. By so doing, we will enable all areas, south or north to establish trade centers; all people, on behalf of public organizations or individually to take part in their activities; and all products, industrial or agricultural, to be handled by them. These trade centers are to some extent similar in their function to warehouses in the past, but they have developed many new functions. We can foresee that they will constitute a very promising undertaking.

The link of circulation is the key link in enlivening our economy. It is an intermediate link in the process of social reproduction. Grasping the reform in our circulation system as a key link and thus bringing along the development of other links will surely play a tremendously great role in promoting the development of our production, consumption, industry, agriculture, and urban and rural areas. Starting from setting up large, medium-sized, and small trade centers, thus establishing a unified socialist market will certainly have positive and far-reaching repercussions in bringing along the various kinds of reforms in our cities and in continuing to enliven the overall situation of our national economy.

CSO: 4006/594



## ECONOMIC MANAGEMENT

### SICHUAN STRESSES LEARNING FROM COASTAL AREAS

HK100359 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 10 Jun 84

[Text] According to SICHUAN RIBAO, the provincial CPC committee and government held a report meeting in Chengdu on 8 June, attended by 1,200 cadres from the provincial and city organs, to introduce the recent visits paid to Guangdong, Fujian, and other municipalities and provinces by responsible comrades of the provincial CPC committee and government, and the experiences they had gained.

The meeting stressed: The leaders at all levels must, based on the spirit of Premier Zhao Ziyang's government work report, learn from the coastal provinces and municipalities, further emancipate their minds in connection with current party rectification work, eliminate leftist influence, and focus on reform of setup and on opening up to the world. It is necessary to speed up the pace of reform and change the passive situation of closing the country to international intercourse, which existed for a long time. We must adopt positive and specific measures for a long time. We must adopt positive and specific measures in organizational leadership, policy methods, and so on, to strengthen economic and technical cooperation with other provinces and municipalities, and enliven the urban and rural economy still more. In particular, the leaders of the provincial departments and bureaus must support the lower-level reforms, so as to stimulate still better development of all work in the province.

Responsible comrades of the provincial CPC committee and government Yang Rudai, Yang Xizong, Nie Ronggui, and Jiang Minkuan attended the meeting. Jiang Minkuan delivered a report on his visits to Guangdong, Fujian, and other provinces and municipalities.

Comrade Yang Rudai stressed in a speech: Being bold in carrying out reforms and in opening up to the world constitute the main spirit of Premier Zhao's recent government work report. In connection with implementing the spirit of the Second Session of the Sixth NPC, we must study the experiences of Guangdong, Fujian, and other provinces and municipalities, further emancipate our minds, and unify the thinking of the cadres. In the past we basically failed to get things going in opening up to the world. The cadres are still relative strangers to this work. Hence, we must achieve enlightenment in thinking and progress in work. We must actively open up to other provinces and the world.

Comrade Yang Xizong spoke in conclusion. He said: Sichuan cannot do without both reforming and opening up in its efforts to enrich the people and improve its position and achieve the general goal put forward by the 12th Party Congress. We must implement the spirit of the Second Session of the Sixth NPC and be bold in putting right all conventions and outdated rules and regulations that hamper reform and opening up. During the previous stage of party rectification, the departments and bureaus put forward many reform measures and took practical action for reform. In the future we must go further in handing down powers to the enterprises, untying their ropes, and enlivening the economy. In opening up to the world, we must further eliminate leftist influence and devise more methods to promote still faster development of the economy.

Today's SICHUAN RIBAO also carries a commentator's article entitled "Emancipate the Mind and Open up to the World."

CSO: 4006/594

## ECONOMIC MANAGEMENT

### UNIVERSITIES CONTRIBUTE TO NATIONAL ECONOMY

OW210922 Beijing XINHUA in English 0859 GMT 21 Jun 84

[Text] Beijing, 21 Jun (XINHUA)--Two railway institutes and two communications universities have recently set up a joint development company to help the construction of the Dalian economic area.

Dalian has recently been designated as one of the 14 coastal cities to be opened economically to the outside world.

The new company has four branches--civil engineering, electronics, mechanical engineering, and telecommunications and transport.

Chinese universities and colleges are serving the national economy by providing industrial departments and enterprises with research results, scientific consultancy and technical services, signing long-term contracts or setting up centers combining teaching, research and production.

Since last year, 39 universities and colleges in Shanghai have signed some 2,500 technical-service contracts with factories and enterprises in 10 cities in Jiangsu and Zhejiang provinces, and so far 1,225 contracts have been fulfilled.

Zhongshan University has assisted the Nanhai radio factory in Guangdong Province in developing an advanced microcomputer system, which is now being sold in 27 provinces and cities. Last year, the factory earned a net profit of 1.4 million yuan from sales.

Known as the "New Technology Exporting Center", Harbin Engineering University in north-east China has established cooperation relations with over 200 enterprises since 1979, and has offered these enterprises about 100 forms of new technology.

CSO: 4020/143

## FINANCE AND BANKING

### TIGHTENING FINANCIAL AND ECONOMIC DISCIPLINE

Beijing CAIZHENG [FINANCE] in Chinese No 4, 8 Apr 84 pp 16-17

[Commentary: "Link Party Consolidation With Tightening Financial and Economic Discipline"]

[Text] In recent years, in accordance with the decision of the State Council, a nationwide major inspection of financial affairs was launched three times. The first one was carried out in 1981, with the inspection of the 1980 financial revenue and expenditure as central, revealing the amount of 3.7 billion yuan in violation of financial and economic discipline. The amount which should have been turned over to the state as revenue amounted to 1.2 billion yuan. The second one was carried out from the end of 1981 to the beginning of 1982, with stress on inspection of business financial affairs. It revealed that the amount of 4.7 billion yuan was in violation of financial and economic discipline, and the amount which should have been delivered to the state as revenue reached 2.3 billion. The third one began in October 1983. Up to now, it has already revealed that of 3.2 billion yuan was violation of financial and economic discipline. The amount which should have been turned over to the state as revenue totaled 1800 million yuan, 1.2 billion yuan of which is already in the state treasury. The result of the three major inspections of financial affairs is notable. It further develops the excellent situation of the national economy. With regard to each region, each department and each unit putting its work in accord with and in service of the entire party's strategic targets, it initiates the new situation of upguarding economic results. It also has an important promotional effect in the simultaneous improvement of working hard to achieve production, realizing tax revenue and profit, and increasing the nation's revenue.

In recent years, because of the thorough implementation of the lines, principles and policies of the 3rd Plenum of the 11th CPC Central Committee, China's national economy has begun to move along the healthy course of steady development, and the situation is getting better every year. With regard to implementing financial and economic policies, and upholding financial and economic discipline, on the whole the condition is good. The situation of financial and economic discipline violation has taken on a turn for the better. However, the problems which exist in this area have still not been basically solved. As a result of the major inspections of financial affairs, we discovered that the phenomenon of violating financial and economic discipline in some regions

and units is still very serious, which should greatly attract our attention, and lead us to wage a tireless struggle against conduct which violates financial and economic discipline.

The upholding and observation of financial and economic discipline is needed to accelerate the realization of socialist modernization and construction. Everybody knows that we are carrying out socialist modernization and construction from the base of a large population, a poor foundation, and a backward economy. It is thus particularly necessary to display the spirit of pioneering a great cause with the practice of plain living and hard struggle, to concentrate financial and material resources to ensure construction of key projects, and to have a unified will and strict discipline. If the phenomenon of violating financial and economic discipline is effectively curbed, the harm that would be done to the four modernizations would be very great. First, in terms of ideology it crushes and slackens people's revolutionary will. Violations of financial and economic discipline are reflections of decentralization, selfish departmentalism, individualism in finance and economic work. That is to say, one region, one department, or one unit puts its own economic interest above the nation's interest. On the personal level, it puts individual interest above the nation's interest. When we emphasize our own needs and interests, and to turn a blind eye to the nation's needs and interests, how can we speak of a unified will and a pioneering spirit to make contributions to the country! Second, organizationally it corrupts our revolutionary ranks. The results of the major inspections of financial affairs have made clear that chaotic management and lax financial and economic discipline are the breeding ground for corruption and theft, tax evasion, and giving and accepting bribes. Unhealthy practices start here. Some of the people with unhealthy ideology began by ignoring financial and economic discipline gradually moving on to the path of committing crimes. For instance, the Jianghai Cement Plant in Nandao County distributed to its supply and marketing staff a marketing bonus. Each person received over a thousand yuan, but some of them were still unsatisfied. They even took funds by deceit, making out false bills or false receipts, and finally sinking into the abyss of committing crimes. Third, economically it undermines socialism. In each of the three major inspections of financial affairs, we found out that an amount of three to four billion yuan was in violation of financial and economic discipline. This amount is considerable. Just when the four modernizations are in need of funds, so large an amount has not been used properly. Doesn't this deserve our attention as well as our determination to curb it?

The reasons for violating financial and economic discipline are manifold. The most important ones are mentioned here. The first is ideological confusion. Above all, the ideology of anarchism disseminated by the Lin Biao and Jiang Qing counter-revolutionary cliques has not been completely eliminated. In the minds of some comrades, the sense of planning, the sense of legality and the sense of overall situation have become blunt. Secondly, with regard to pursuing a series of proper general and specific policies on the country's economic work, some comrades, in implementing these policies, do not have an overall understanding and some even deliberately misinterpret them. For instance, some consider that since enterprises have expanded their decision-making powers, the state can wash its hands of the matter; some consider

that since the state was deeply indebted to the staff and workers in the past, and their wages were not high enough, we should now work more for their well-being, yielding to part of the masses' backward thinking; some believe that as long as one does not pocket the money, what is it to violate a little discipline, etc. The second is the imperfect legal system. In particular, there are new situations and new problems that have appeared in the process of reform, to which the system of laws and regulations does not have corresponding stipulations. At the same time, there is even the phenomenon of replacing the law with one's own words. These weaken the authority of the law. The third is the worsening of people's sense of discipline. With regard to the laws, decrees and regulations of the state and stipulations of higher authorities, some units implement only those that are advantageous to them, and do not implement those that are disadvantageous to them. Some even establish regulations themselves, set up standards themselves, substitute power for laws. As to the phenomenon of harming the country's interest, some have not criticized or struggled against it, harboring the idea of leaving things to chance with respect to inspections from higher authorities. [They take the attitude that] "it is your luck to have found out, it is mine if you haven't." The fourth is slack supervision and the lenient manner of handling matters. These have created an opportunity for those who violate financial and economic discipline.

Fighting against the conduct of violating financial and economic discipline is an important aspect in achieving the basic bettering of party style and the general mood of society. It is very correct to include the enforcement of financial and economic discipline as an item for party consolidation. To solve this problem, first of all is, through the process of party consolidation, to deepen the understanding of the importance of observing financial and economic discipline; to seek unity in thinking; to heighten the level of awareness; to put the overall interest and long term interest in the first place; to properly handle the relationship between the overall interest and local interest, and between long term interest and immediate interest; and to strengthen self-awareness in strictly observing financial and economic discipline. Second, it is to strengthen economic legislation; to improve and perfect the legal system; and to reach to a point of having laws to go by, enforcing laws strictly, and investigating violations of laws thoroughly. For the areas in the system of laws and regulations that are not as perfect as possible, and those that are not as equitable, there should be revisions and additions carried out in accordance with legal procedures. Third, it is to strengthen financial and auditing supervision. There has to be a gradual setting up and strengthening of the system of auditing and financial supervision. Within the next few years, it is still necessary to regularly conduct inspection of financial affairs. Fourth, it is to seriously handle the acts which are discovered through inspections to violate financial and economic discipline. To only inspect and not deal with them, or to deal with them improperly, cannot create the effect of warning others, and the phenomenon of year-after-year inspection followed by year-after-year violations would thus emerge. Laws are to protect the masses' basic interests. Only by punishing those violators of financial and economic discipline can the masses' basic interests be better protected. Some of the discipline violation cases

involve the masses, but the major responsibility rests with those who supply ideas. One must not be misled by the quibble of those who make use of the name of the masses to shirk responsibility, or be troubled by "the law does not punish the masses." Anyone who violates financial and economic discipline, regardless of who he is must be seriously investigated and dealt with accordingly in light of the circumstances. Only in this way can we cure the "common ailments" and "frequently-occurring ailments" among those discipline violation cases. Besides, to strengthen internal supervision of enterprises and institutions is also an important step. We have to bring the supervisory function of the financial and accounting personnel in enterprises and institutions into full play, and to support their performances of their duties. With regard to those who suffer retaliation because they have exposed the problems, we have to give them support so as to promote healthy tendencies.

In short, to strengthen financial and economic discipline along with struggling against all acts which violate financial and economic discipline is not an isolated matter. It must be linked with party consolidation. Everybody takes a hand. We must create a kind of public opinion in society, causing acts that violate financial and economic discipline to be widely condemned. Then, everybody will fight against them. In this way, we can prevail over evil trends, help sustain the healthy trends, and contribute to the realization of basic bettering of party style, the general mood of society and financial and economic situation.

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CSO: 4006/468

## FINANCE AND BANKING

### TIANJIN REPORT ON FINAL ACCOUNTS, BUDGET

SK050650 Tianjin TIANJIN RIBAO in Chinese 16 Apr 84 p 2

["Excerpts" of the Report on Tianjin Municipality's 1983 Final Accounts and 1984 Budget given by Li Changxing, director of the Tianjin Municipal Financial Bureau, at the 2d Session of the 10th Tianjin Municipal People's Congress--date not given]

[Text] 1. Final Accounts of 1983.

In 1983, our municipality steadily increased its industrial and agricultural production, improved economic results, expanded circulation, enlivened the market, and raised the people's living standards. Following the national economic development, the municipality fairly successfully fulfilled its budget plan, overfulfilling the revenue quota and achieving a small surplus after expenditures.

The 1983 budget endorsed in April 1983 at the 1st session of the 10th municipal people's congress stipulated revenue of 4.16 billion yuan and expenditures of 1.888 billion yuan. Our revenue decreased because the prices of some raw materials increased while those of some primary products and manufactured goods decreased and the petrochemical industrial company was put under the administration of higher authorities. Also, our expenditures grew because an additional expenditure was made by the central authorities in the investment in the Luan He water-diversion project and in the funds for enterprises to tap potential and carry out technical transformation. Examined and approved by the 8th standing committee meeting of the 10th municipal people's congress, our 1983 revenue budget was readjusted to 3,778,230,000 yuan and our expenditure budget to 2,353,660,000 yuan.

Our 1983 revenue was 3,880,920,000 yuan, a 2.72-percent increase over the readjusted budget and a small increase over that of 1982. Of the revenue, taxes totaled 2,449,330,000 yuan, 2.61 percent over the readjusted budget and 6.72 percent over 1982; and enterprises' income totaled 1,339,110,000 yuan, 2.77 percent over the readjusted budget and 10.11 percent under 1982. The income of industrial enterprises was 1,409,230,000 yuan [as published], a 1.89-percent increase over the readjusted budget and an 8.74-percent decline from 1982; and the income of commercial enterprises was 64.71 million yuan, 9.67 percent higher than the readjusted budget and 31.19 percent lower than



1982. The income from other sources was 5.1 million yuan, 69.83 percent greater than the readjusted budget and 36.59 percent less than 1982. Basic depreciation funds turned over by enterprises totaled 87.38 million yuan, up 2.52 percent over the readjusted budget and down 4.37 percent from 1982.

Major factors affecting the income of industrial enterprises were: 1) The prices of some products were reduced, which led to a 180-million-yuan decline in income; 2) a special oil consumption tax was levied, oilfield maintenance costs increased, and coal storage fees were collected, which led to a 41.5-million-yuan decline in income; 3) the industrial enterprises using Luan He water, priced electricity through negotiations, and coal transported by road greatly increased their expenditures, which led to a 27.5-million-yuan decline in income; and 4) some enterprises raised their fixed asset depreciation rates and readjusted the wages of their staff and workers, which led to a 21-million-yuan decline in income. These four factors resulted in a 270-million-yuan decrease in income. When these and other objective factors incomparable to those of 1982 are excluded, our municipality's industrial enterprises increased their income by 7.8 percent over 1982, which conformed to the target of a 7.6-percent increase in the output value of local state industrial enterprises covered by the budget. The objective reason for commercial enterprises to have earned less income than in 1982 was that they sold more commodities at a loss due to policy aimed at enlivening the market and at satisfying the people's needs in their lives.

In addition, we successfully fulfilled the task of collecting funds assigned by the central authorities in 1983. In line with the state-stipulated fund collection methods, we collected 203.08 million yuan for key energy and communications projects, overfulfilling by 47.69 percent the assigned quota of 137.5 million yuan. We purchased 102.63 million yuan of treasury bonds, overfulfilling by 3.56 percent the quota of 99.1 million yuan assigned by the central authorities.

Successful fulfillment of the 1983 revenue task was attributed to the national economic development and the improvement of economic results. Compared with 1982, our 1983 industrial output value increased by 8.2 percent, per capita productivity by 5.8 percent, and agricultural output value by 8.4 percent. Diversified undertakings and commune- and brigade-run industrial enterprises also developed fairly greatly. Commercial and grain departments improved their economic results thanks to reform, to increases of circulation channels, and to improved enterprise management. The market was brisk and commodity prices remained basically stable. The overall economic development laid a solid foundation for increasing the revenue.

In 1983, we began to focus our financial and tax revenue work on increasing economic results. We attended to giving full play to the role of the finance and tax revenue as an economic lever, supporting technical imports and technical transformation, and developing new products. We adopted some economic policies to help enterprises end deficits and to promote the work of ending deficits, comprehensively carried out the first step of reform of the system of delivery of taxes instead of profits among state enterprises, promoted the

work of helping enterprises raise economic results, and implemented the principle of allowing the state to get the lion's share, the collective to get a bigger share, and the individual to get a small share while distributing profits. We conducted a financial and tax revenue survey among state and collective enterprises.

Our 1983 expenditures reached 2,025,230,000 yuan, which was 86.04 percent of the readjusted budget, a decline of 5.61 percent from the previous year. The main expenditures of the past year were:

1. We spent 1,197,320,000 yuan in capital construction, which was 93.36 percent of the readjusted budget, a decline of 7.26 percent from the previous year.
2. We spent 27.86 million yuan on city maintenance. Together with city maintenance funds from cities' extra revenue, we spent a total of 90.59 million yuan.
3. We spent 92.48 million yuan for tapping the potential of enterprises and carrying out technical transformation, which was 61.66 percent of the readjusted budget, a decline of 1.86 percent from the previous year.
4. We spent 44.51 million yuan for three scientific and technological projects (including scientific research funds for assigned projects from the central authorities), which was 71.79 percent of the readjusted budget, a 65.14-percent increase over the previous year.
5. We spent 73.25 million yuan for supporting agriculture, which was 82.33 percent of the readjusted budget, a 13.58-percent increase over the previous year.
6. We spent 335.64 million yuan for cultural, educational, public health, and scientific undertakings, which was 96.57 percent of the readjusted budget, a 15.67-percent increase over the previous year.
7. We spent 96.76 million yuan on administration and management, which was 88.71 percent of the readjusted budget, a 15.67-percent increase over the previous year.

In addition, we also increased enterprise working funds, industrial, communications, and commercial funds, people's air defense funds, militia funds, pensions and social relief funds, urban youth employment funds, simple construction project funds, and funds for other undertakings, a total of 157.41 million yuan. Thus, we basically ensured the needs for developing various undertakings.

We saw a surplus of 328.43 million yuan in our 1983 expenditure budget. Excluding some 275.51 million yuan for some incomplected capital construction projects, for tapping the potential of enterprises, for three scientific and technological projects, for farmland and water conservation projects, and for

fulfilling contracts by administrative units and establishments, which should be shifted to 1984 for continued use, the net surplus was 52.92 million yuan. Together with profits shared from organizations and extra revenue and with local taxes, totaling some 140.51 million yuan, the surplus reached 193.43 million yuan. Of this, 140.95 million yuan came from city-level organs, some 133.4 million yuan of which had been earmarked as 1984 flexible city financial resources. Some 7.55 million yuan came from various undertakings' surplus funds, which will be used for developing undertakings continuously. The surplus from district- and city-level organs was 52.48 million yuan, which will be disposed by districts and counties themselves.

## 2. The Draft Financial Budget for 1984.

The 1984 financial revenue budget is planned in line with the needs of the Tianjin economic and social development plan and in consideration of the factors of raising economic results, tapping our potential in increasing revenue and saving expenditures, and increasing and reducing revenue in some spheres. Our expenditure budget is planned in line with the principle of guaranteeing key projects, giving consideration to general projects, curtailing administrative expenditures, and weighing our ability while doing everything.

Our municipality's 1984 financial revenue quota assigned by the central authorities is 3,977,980,000 yuan, up 2.54 percent over 1983. Of this, 2.5 billion yuan will come from taxes, an increase of 2.05 percent over 1983; 1,384,280,000 yuan from enterprises, an increase of 3.49 percent; 3 million yuan from other undertakings; and 90.7 million yuan from enterprise depreciation funds, an increase of 3.8 percent.

The 1984 state assigned state treasury bond subscription quota is 97.05 million yuan and the quota for collecting funds for energy and communications key construction projects is 162 million yuan. These two fund collection tasks affect the balance between revenue and expenditures in the state budget and our country's key construction. Therefore, we must fulfill them.

Our municipality's 1984 financial expenditure quota is 1,874,240,000 yuan, an 11.1-percent-increase over the budget approved earlier last year by the first session of the 10th municipal people's congress if calculated in terms of comparable items. The main expenditures are:

1. We allocate 948.42 million yuan in capital construction, a 12.81-percent-increase over last year. Of this, 600.78 million yuan will go to urban construction, a 13.91-percent-increase over last year; and 347.64 million yuan to general construction projects, a 10.94-percent-increase over the previous year.

2. We allocate 33.41 million yuan for the three scientific and technological projects, 6.57 percent over last year (excluding scientific research funds for assigned projects from the central authorities).

3. We allocate 32.12 million yuan on city maintenance. Together with 60 million yuan of city maintenance costs from cities' extra revenue, we have a total of 92.12 million yuan, 7.1 percent over previous year.

4. We allocate 67.87 million yuan for supporting agriculture, 0.16 percent over the previous year. The reason for such a small increase is that the central authorities have not yet allocated antidrought, flood-prevention, and agriculture-orientated funds to our province.

5. We allocate 351.85 million yuan for cultural, educational, public health, and scientific undertakings, 16.26 percent over the previous year. Of this, 188.87 million yuan will go to educational undertakings, 11.89 percent over the previous year. Such funds will be used for establishing computer centers in the city and popularizing computer experiments and knowledge. In addition, we also earmark a special fund for repairing rural primary school buildings. We allocate 76.78 million yuan for public health undertakings, 11.32 percent over the previous year.

6. We allocate 107.96 million yuan on administration, 4.87 percent over the previous year.

In addition, we also allocate 332.61 million yuan--a small increase over the previous year--for urban youth employment funds, simple construction project funds, industrial, communications, and commercial funds, and funds for other undertakings, such as pensions and social relief, people's air defense, and the militia.

This is the 1984 expenditure budget. We increase funds for various undertakings and administration to a certain extent. All units will basically ensure the needs for developing all undertakings so long as they adhere to the spirit of weighing their ability in doing everything, making strict budgets, saving funds, and making proper arrangements.

3. Increase Revenue, Save Expenditures, and Struggle for Achieving a Fundamental Turn for the Better in the Financial and Economic Situation.

The year 1984 is a crucial year for achieving a fundamental turn for the better in the financial and economic situation. We should conscientiously implement the principles and policies of the central authorities, continue to implement the policy on readjustment, restructuring, reorganization, and upgrading and the guidelines of the fourth municipal party congress, strive to increase production, expenditure for enterprise consolidation, end deficits and increase profits, revenue, and save expenditures, help enterprises raise economic results, better fulfill this year's financial revenue and expenditure plan, and make new contributions to achieving fundamental improvements in the financial and economic situation.

Raising economic results, we should enhance our understanding and unify our thinking. First, we should do solid work, persist in integrating speed and results, and strive to enable more enterprises to achieve simultaneous

increase in production, profits, and taxes to be handed to the treasury. Second, we should solve the problem of "changing the orbit," rely on technologies to make progress, and modern management, tap enterprises' internal potential, and improve quality. We should attend to consolidating and improving the quality of enterprises, expedite technical transformation, import advanced technology and equipment, and change our municipality's situation in which our technologies are backward and our equipment is outdated. We should also improve the quality of products, replace obsolete products with new ones, vigorously develop new products, reduce consumption, increase production of quality products, and raise economic results.

We should attend to halting deficits and increasing profits and strive to raise the profitmaking level. At present, two problems exist: Deficits of enterprises are still very big, and the profitmaking level of profitmaking enterprises is low. All pertinent departments should list the work of halting deficits and increasing profits as an item on their daily agenda and regard this work as a breakthrough for raising economic results. We should institute economic policies that can help enterprises halt deficits and increase profits for losses sustained by industrial enterprises, the measure of planned subsidies will be applied. No subsidies will be paid if the loss sustained by the enterprise exceeds the planned figure, and if the loss is reduced, the enterprise will share what is saved. For losses sustained by commercial enterprises in selling meat, eggs and poultry, the measure of fixed subsidies will be adopted. For losses incurred from selling vegetables, the measure of controlling the gross amount of deficit will be applied. No subsidies will be paid if the loss exceeds the planned figure, and if the loss is reduced, the enterprise will share what is saved. Those enterprises which have halted deficits and increased profits will be given preferential treatment in the fields of profit retention so as to enhance their enthusiasm. We must close, suspend, merge or retool those enterprises whose products do not meet market demand, whose products are overstocked, whose economic results are poor, and which have sustained losses for a long time. For money-losing products which are produced by profitmaking enterprises, whose quality is poor and which do not meet market demand, the production of these products should be stopped, except for those which are urgently needed by the state. Profitmaking enterprises should strive to raise their profitmaking level and fulfill the revenue delivery target.

We should vigorously cut down costs and economize on expenditures. In 1984, efforts are urged to reduce the cost of comparable products of industrial enterprises by 1.5 percent. To attain this task, we must strengthen the economic accounting, make a penetrating analysis of economic activities, institute and improve the system of fixed-quota management, and strictly examine and cut down the consumption of raw materials and energy and, in particular, the consumption of goods. We must renovate the technology, strengthen management and reduce the rate of waste products. Commercial enterprises should expand commodity circulation, reduce circulation links, speed up capital turnover, cut down expenses, strengthen the storage of commodities, and reduce losses and waste. All enterprises should establish the responsibility system. Those who cause serious wastes and losses due to poor management should be called to account.

We should control administrative expenditures and institutional purchases. Efforts should be made to prevent administrative organs from continually expanding the size of its staff. The funds for public use covered by the administrative funds should be reduced by 10 percent.

We should oppose extravagance and waste and enforce financial and economic discipline. All units should further understand the importance of safeguarding the financial and economic disciplines, and should educate cadres, workers, and staff members to build the country through thrift and hard work, to oppose extravagance and wastes and to enforce the financial and economic disciplines. From now on, severe punishment should be given to violators of the financial and economic disciplines, and proper encouragement and praises should be given to those who adhere to the principle and safeguard the financial and economic disciplines.

Financial and tax departments at all levels should continually adhere to the guiding ideology of concentrating on increasing economic results and should have a hand in formulating the economic policies, tapping new financial resources and increasing revenue. Conscientious efforts should be given to managing and using various funds well so as to make the most of them. We should strengthen the ranks of financial and tax cadres, improve the ability of cadres, step up the foundation work, establish and improve the personal responsibility system, further raise the level of financial work, and create a new situation in financial work.

At present, the municipal political and economic situation is very good and our tasks are very arduous. We believe that under the leadership of the municipal CPC committee and the municipal people's government, so long as we conscientiously implement the guidelines of the fourth municipal CPC congress and work hard single-mindedly, we will certainly fulfill this year's financial task and make new contributions to effecting a fundamental turn for the better in the economic and financial work.

CSO: 4006/593

## INDUSTRY

### SHANGHAI SHIPBUILDING FLOURISHES UNDER OPEN POLICY

OW151204 Beijing XINHUA in English 1140 GMT 15 Jun 84

[Text] Shanghai, 15 Jun (By XINHUA correspondent Lou Baoheng)--Increased popularity on the world ship market and improved technology are what Shanghai's shipbuilding industry has gained under the current open policy.

Since its founding in August 1981, the Shanghai Shipbuilding Corporation has built and delivered 49 vessels for export, all meeting international ship construction and navigation safety standards. Ship designing and lofting are now computerized in some shipyards and designing institutes, according to Cheng Wang, chairman of the board of directors of the corporation.

In an interview with XINHUA, Cheng quoted the shipping magnet Sir Y.K. Pao as saying that Shanghai's achievements testify to China's ability to build vessels up to international standards.

Sir Y.K. Pao is chairman of the Hong Kong Worldwide Shipping Group, which has received four oceangoing ships from Shanghai since June 1982. The other ships--bulk carriers, multi-purpose ships and container ships--were built for shipping companies of 20 countries.

The Shanghai Shipbuilding Corporation, consisting of nine shipyards and seven factories producing main engines, furnished 60 percent of the total ship output of the China State Shipbuilding Corporation in 1983.

The state corporation has ministerial status.

"Importing the world's latest technology while striving to export more ships--this is our policy," Chairman Cheng said.

Thanks to this policy, he said, the corporation has adopted computerized designing and lofting techniques, automatic welding, numerical-control precision cutting and pre-treatment of plates--all advanced processes now in use in developed countries.

Some of the corporation's building berths and docks have been renovated or expanded, allowing construction of 60,000-ton-ocean-going vessels.

Ships already built for export include 36,000-ton and 27,000-ton bulk carriers and 12,300-ton and 12,800-ton container ships, he said, adding that a new container factory--a compensation trade project--is producing 72,000 standard containers a year.

The 12,800-ton "Neptune Jasper", a container ship with a computerized engine room, was delivered to a Singapore shipping company on April 30. This was the first of its kind built in China and the sixth delivered to foreign clients so far this year, Cheng said.

"The open policy has helped 'open our eyes'," he continued. "We are now using international marketing to attract clients."

While offering a range of its own designs, Cheng added, the corporation is willing to build ships to clients' designs or cooperate with foreign firms at the request of clients.

The corporation has started to offer deferred payment and payment in installments to attract clients, and is experimenting with the method of buyers'-loan financing.

CSO: 4020/143



## INDUSTRY

### BRIEFS

JILIN INDUSTRIAL ACHIEVEMENTS--The industrial enterprises across Jilin Province made simultaneous progress in output, income, and profits from January to May this year. They scored a 12.8-percent increase in total output value over 1983, a 15.2-percent increase in tax revenue, a 39-percent increase in profits handed over to the state, and a 33.4-percent increase in financial incomes. [Excerpts] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 7 Jun 84 SK]

LIAONING DEVELOPS PROCESSING TRADE--Liaoning Province has over 6,700 forage processing factories and networks with an annual produce of 460,000 tons. [Summary] [Shenyang LIAONING RIBAO in Chinese 25 May 84 p 2 SK]

CSO: 4006/594

## CONSTRUCTION

TIANJIN: MAO CHANGWU ON URBAN, RURAL CONSTRUCTION

SK150430 Tianjin TIANJIN RIBAO in Chinese 6 Apr 84 p 2

["Excerpts" of the written speech by Mao Changwu, advisor to the Tianjin People's Government, at the 2d session of the 10th municipal people's congress entitled: "Carry Out the Luanhe Diversion Spirit and Create a New Situation in Urban and Rural Construction"--date not given]

[Text] 1. In 1983, Tianjin made a gratifying stride in creating a new situation in urban and rural construction.

In 1983, a tremendous change was made in Tianjin's urban and rural construction. First, the project of diverting Luan He water to Tianji and some other key construction projects developed quickly and soundly. Second, many residences and cultural and educational facilities were built and yielded quick results. Residences completed in 1983 throughout the municipality totaled 3.54 million square meters. At the same time, the subsidiary equipment was installed in the existing municipal public, and power projects. Third, the municipal and public projects were built quickly and yielded better results. The large basic facilities for municipal and public use completed in 1983 were better than those of former years. Thanks to the concerted efforts of pertinent fields, the government used 280,000 square meters of houses to implement the policy concerning private houses and basically returned the houses which were occupied by the public during the "Great Cultural Revolution" period to their owners. In 1983, Tianjin also repaired 166,000 houses. To improve the inconvenient housing for workers and staff members, the municipal and district housing management department went down to plants, neighborhoods, and schools to investigate the housing situation and to plan for swapping houses. In 1983, a total of 40,000 houses were exchanged for more than 30,000 families. Fourth, the management of city appearance was conducted in a vigorous and better manner and a gratifying change was made in the appearance of streets. Fifth, new progress was made in urban and rural construction.

In the past year, the achievements in urban and rural construction contributed to creating a new situation in our municipality. However, our urban and rural construction and management still lagged behind the increasingly developed production and the constant improvement of people's living standards. Some problem still existed which should be solved in 1984 through hard work.

2. We should enhance our spirit, work hard unitedly, and strive for a new victory in the urban and rural construction.

The year 1984 is the first year for implementing the 5-year economic construction task set forth by the fourth municipal CPC congress. The municipal urban and rural construction front is confronted with an extremely complicated and arduous task, and thus must enhance the spirit to meet the severe test. Specifically speaking, this severe test lies in the following aspects:

First, the investment is big and the task heavy. The 1984 total investment in capital construction and other fields allocated by the state is more than in 1983. The ratio of investment in the industrial construction and technological transformations increased remarkably. Second, the demand is urgent and the degree of difficulty high. Many technological transformation projects have been decided on late, but much work should be done for these projects and these projects must be fulfilled on time. Although some projects can be carried over to next year, the remaining work load is too much. Third, the demand is high and influence great. Along with the development of the four modernizations and the improvement of people's living standards, the demands on the urban and rural construction and management become still higher.

In 1984, land amounting to some 10 million square meters will be used for the basic construction projects, rebuilding of the earthquake-stricken areas, and for technological transformation projects. Of this, the construction on 5 million square meters of land will be completed this year. In 1984, we should make a new breakthrough in the management and service level, should effect a remarkable improvement in economic results, social conduct and environmental sanitation and should make more contributions to promoting Tianjin's socialist material and spiritual civilization.

First, we should concentrate our strength on ensuring the construction of key projects. In capital construction work this year, we should implement the spirit of diverting Luan He water to Tianjin, use and promote the experiences, and attach importance to and concentrate our strength on a group of projects relating to the production and people's livelihood. First of all, we should attend to the 22 large and medium-sized projects covered by the state plan.

Second, we should attend to urban construction, production construction, and the improvement of people's livelihood at the same time. This year, the municipality plans to build new residences amounting to 3 million square meters. In residence construction, we should continue to develop Wangdingdi and Wanxinzhuang residential districts, complete the construction of the 10 newly developed residential districts, including Ti yuanbei, Xiaohaidian, and Miyunlu, and attach importance to combining the construction of new houses with old city reconstruction. This year, we plan to build 20 streets and houses amounting to about 700,000 square meters. In order to improve the cultural, educational, and medical level of urban people, we should accelerate the construction of cultural, educational, and public health facilities. We should continue to enhance the construction of civil administrative and public facilities.

Third, we should be good public servants for the people and further create a new situation in service work. In 1984, we should make new achievements in

managing plans, civil administration, construction, houses, city appearance, and environmental sanitation and in protecting environment. We should make efforts to change the situation in managing city environmental sanitation, environmental protection, and the whole city appearance. We plan to build 88 public conveniences, remove over 3,600 ash baskets from Hongqiao, Hetong, Hexi, and Nankai districts, and improve the people's public health conditions.

Fourth, we should further do a good job in village and town construction to suit the development of rural production. Within this year, 3,800 villages should make unified plans for production and livelihood, consolidate village appearance, vacate lands to build public welfare, cultural, and educational facilities, set up basic facilities, plant trees, and improve the environment of villages and towns.

Our tasks for urban and rural construction and management in 1984 are extremely heavy. So long as we persistently implement the lines, principles, and policies of the 12th party congress, mobilize the masses' initiative, work wholeheartedly, and are inspired with revolutionary spirit, we will overcome all difficulties, do more good deeds for the people in Tianjin, bring benefits to the coming generations, and capture a new victory in the great cause of building a new civilized, clean, and modernized Tianjin.

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## DOMESTIC TRADE

### CIRCULAR ISSUED ON CIRCULATION OF COMMODITIES

OW11236 Beijing XINHUA in English 1215 GMT 11 Jun 84

[Text] Beijing, June 11 (XINHUA)--All-round efforts by the government, rural collectives and individual peasants are called for by the 1984 circular of the party Central Committee on rural work to ensure the smooth circulation of commodities. The circular stresses the need to adhere to the principle of taking the planned economy as the leading factor, while supplementing it with market regulation. The rural economy is to be invigorated by encouraging rural collectives and individual households, as well as government institutions, to take part in the circulation of commodities. The quantity and variety of farm and sideline produce subject to unified or fixed purchase by the government should be reduced as production and market supplies increase.

The government now exercises complete or partial control over grain, cotton and other essential agricultural products, as well as sideline products like valuable medicinal herbs. Peasants are permitted under current policies to sell in or outside their areas what is left over after meeting quotas for government purchase and tax payment.

Prices of products not controlled by the government should be flexible, the circular says. The same policy applies to essential products over and above quotas for government purchase and tax payment. Marketing of live and easily perishable goods should be "especially flexible," with price differentials for different seasons and areas, so as to encourage production and reduce losses.

The circular suggests that special production bases be set up to meet the export needs and ensure supplies to cities or that the supplies be paid for with means of production at reasonable prices. While encouraging market regulation, the circular says, there is the need to provide guidance to the peasants to ensure planned production. Quotas should be fixed in advance with the producers--collectives or households--for the purchase of farm and sideline produce under contracts. Once signed, the contracts are not to be changed by any party arbitrarily. Funds should come both from the government and from collectives and individual households to build cold storages, warehouses and transport and communications facilities. Those who build and manage these facilities are entitled to receive the economic benefits, and will be given preferential treatment in taxation.

CSO: 4020/141

## DOMESTIC TRADE

### CHONGQING, SHANGHAI, GUANGZHOU TO EXPAND TRADE EXCHANGES

HK130638 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 13 Jun 84

[Text] The experience of the Chongqing Manufactured Goods Trade Center, which was highly praised by Premier Zhao Ziyang for boldly reforming the commodity circulation system and providing good services, has aroused the interest of commercial departments in various localities throughout the country.

In April and May, responsible persons of commercial bureaus and 14 first-level stations of department stores and stationery stores of Shanghai and Guangzhou came to Chongqing and visited the Chongqing Manufactured Goods Trade Center. On the basis of mutual benefit and through negotiations, the Chongqing Manufactured Goods Trade Center concluded agreements with Shanghai and Guangzhou on the principles for expanding commodity exchanges. The main contents of the agreements are as follows:

1. The purchase and supply stations of Shanghai and Guangzhou will establish business ties with the Chongqing Manufactured Goods Trade Center. Shanghai and Guangzhou will provide commodities for the trade center, and special consideration will be given to new designs and colors. The Chongqing Manufactured Goods Trade Center will provide information for the two cities on the sales of the two cities' commodities in Chongqing and on the market situation in Chongqing.
2. The first-level stations of Shanghai and Guangzhou will set up commodities offices and exhibition counters in the Chongqing Manufactured Goods Trade Center. Chongqing will set up exhibition and sales departments for Chongqing commodities in the busy areas of Shanghai and Guangzhou.
3. When formally setting up Shanghai and Guangzhou commodities exhibition counters, the Chongqing Manufactured Goods Trade Center and the first-level stations of the two cities will jointly sponsor an exhibition and sales fair in the trade center, which will be responsible for carrying out business transactions while the fair is being held.

Since early June the Chongqing Manufactured Goods Trade Center, Shanghai, and Guangzhou have been busy taking part in various sales and transaction activities.

CSO: 4006/593

## FOREIGN TRADE AND INVESTMENT

### BRAZIL TO PARTICIPATE IN PLANS ON PRC DAM PROJECT

PY190230 Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 May 84 p 13

[By Milton F. da Rocha Filho]

[Text] Sao Paulo--The PRC has invited Brazil to participate in discussions about the construction of the world's largest hydroelectric plant, the Three Gorges plant on the Yellow River, which will have a capacity to generate 16 million kilowatts, that is, 3.5 million kilowatts more than the Itaipu hydroelectric plant. In addition to Brazil, the PRC has invited the participation of two other countries, the United States, and Japan. This information was provided by an executive of ELETROBRAS [Brazilian Electric Power Companies] and businessmen involved in industrial assemblies.

To participate in the discussions at Peking, representatives of the consortiums working on the Itaipu hydroelectric project will travel to the PRC: Itaipu electromechanical consortium which supplies equipment, Unicom which specializes in civil works and the Itamon which is specialized in industrial constructions.

Itaipu and ELETROBRAS President General Costa Cavalcanti, and the Itaipu Works Director Rubens Vianna, will make the trip along with the representatives of the three consortiums mentioned above.

The idea to call Brazil into the discussions came up 5 months ago when a mission of the PRC Energy Ministry delegation visited ELETROBRAS and the Itaipu project. The Chinese then prepared a complete report on Itaipu and, according to an ELETROBRAS executive, the report was submitted to all the ministries of the PRC, with a favorable recommendation.

The original Three Gorges project, made more than 5 years ago, envisioned the generation of 25 million kilowatts. Since the project was delayed, regions that would have been flooded by the dam's lake were occupied by people. The Chinese Government considers to be impossible to clear the region's population out, and so it decided to rehash the project reducing the power output down to 16 million kilowatts. This was reported by an ELETROBRAS executive.

During Finance Minister Ernane Galves' visit to the PRC in March, the possibility of inviting Brazil for the discussions was raised in view of the PRC Energy Ministry's report. The invitation has now been formalized, coinciding with the visit President Figueiredo will make to that country.

According to Brazilian businessmen, Brazil's greatest difficulty in participating in the construction of the world's largest hydroelectric plant that will take 10 years to build lies in the lack of long-term financing for that kind of project.

According to an industrialist, Japan's financing terms are better than those of the United States. "Our alternative would be to exchange oil for service, but it seems at first sight that the PRC Government is not interested in such an exchange."

CSO: 3342/116



## FOREIGN TRADE AND INVESTMENT

### BRIEFS

JILIN LABOR SERVICES--Jilin Province has made new progress in organizing labor services cooperations with foreign countries. So far, the Jilin Branch of the China International Economic and Technological Cooperation Corporation has signed 7 labor service cooperation contracts with foreign countries and the total sum of contracts reaches \$14 million. A total of 1,420 people are now honoring contracts in foreign countries or will soon be sent to foreign countries to honor contracts. A total of 164 people have already returned home after fulfilling the contracts. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 26 May 84 SK]

CSO: 4006/594

## SPECIAL ECONOMIC ZONES

### PANEL DISCUSSES OPEN POLICY, SHENZHEN ECONOMY

OW181335 Beijing XINHUA in English 1231 GMT 18 May 84

[Text] Beijing, May 18 (XINHUA)--Total output value in Shenzhen, China's first special economic zone, in 1980-83 surpassed the total sum in the 30 years before the establishment of the special zone in 1979. This was disclosed by Liang Xiang, mayor of Shenzhen in a panel discussion today of Premier Zhao Ziyang's government work report. The premier in his report termed the establishment of special economic zones a major policy decision, adding that the policy of opening to the outside world was in accord with China's reality and must be pursued with a firm hand.

Shenzhen's industrial output value reached 673 million yuan in 1983, 10.7 times that in 1978, Liang Xiang said. Its agricultural output value was 29 percent higher than in 1978 despite reduced farmland. Increased production led to a marked improvement of the livelihood of the people, the mayor noted. Average wages of the workers and staff members in the state-owned enterprises last year rose 2.7 times over 1978 to reach 1,500 yuan, while per-capita income of the local peasants was 840 yuan, 2.7 times the national average. One-fifth of the local peasant families each 10,000 yuan a year.

The last few years, he said, saw financial, industrial and commercial people from 50 or 20 countries and regions coming to Shenzhen for business talks. By the end of 1983, Shenzhen had concluded 2,500 contracts and agreements with foreign business people and Hong Kong firms, drawing 1.8 billion U.S. dollars in investment. Half of the 878 projects signed last year are being implemented.

Liang Xiang added that the zone had imported 25,000 sets of equipment over the past few years, including printing machinery from the Federal Republic of Germany, photomechanical technology from Japan, feed manufacturing equipment, color TV manufacturing equipment, aluminum foil making equipment, microcomputer manufacturing equipment from the United States.

Fifty-five enterprises were completed and went into production in Shenzhen last year and 50 more are expected to be added this year, Liang Xiang said. Shenzhen has also established 400 enterprises in cooperation with 14 central departments and 20 provinces and cities.

The mayor said that Shenzhen would give more preferential treatment to foreign investors and adopt more flexible measures for absorbing foreign investment in

line with the principles laid down in Premier Zhao's report. Priority would be given to the import of industrial items involving advanced technology and management. Import procedures would be further simplified to stress efficiency.

The establishment of special economic zones and the opening of more coastal cities would help accelerate China's modernization process, he added.

CSO: 4020/139

## SPECIAL ECONOMIC ZONES

### BRIEFS

BUSINESS WITH OVERSEAS FIRMS--Xiamen, May 24 (XINHUA)--About 49 contracts involving at least 190 million U.S. dollars have been signed between the Xiamen Special Economic Zone of Fujian Province and overseas firms since the beginning of this year. The conclusion of most of these contracts, dealing with joint ventures, cooperative management and upgrading of old enterprises in the zone, followed Chinese leader Deng Xiaoping's inspection tour of the area in February, during which he called for accelerated development of the zone. Representatives from 120 firms in Hong Kong and a dozen countries including Australia, Japan, France, Italy, the Philippines and the United States have flocked to the zone since then to make business contacts and sign contracts, local officials said. Of the contracts signed, some deal with setting up new hotels and restaurants or renovating old ones, and others for industrial joint ventures and cooperative management. The Xiamen Special Economic Zone, the Bank of China, and five banks from Hong Kong and Macao have launched a joint development company to raise funds for construction in the area. Xiamen, which is already operating an international airport and deep-water berths, is now installing an 8,000-line automatic telephone exchange to provide better communication facilities for investors. The Xiamen Municipal Government is now busy formulating economic regulations and carrying out economic reforms in a bid to attract more foreign investment. [Text] [OW240751 Beijing XINHUA in English 0721 GMT 24 May 84]

CSO: 4020/139

## LABOR AND WAGES

### LABOR MINISTRY HOLDS PERSONNEL EXCHANGE MEETING

OW210995 Beijing XINHUA Domestic Service in Chinese 1446 GMT 19 Jun 84

[By reporter Zhou Lixian]

[Excerpts] Beijing, 19 Jun (XINHUA)--An entirely new sort of exchange meeting was held today at the auditorium of the Ministry of Labor and Personnel where some 500 people from the personnel departments of various ministries of the State Council and their subordinate units in Beijing were eagerly looking for all kinds of professional personnel needed by their units.

This is the scene of the first personnel exchange meeting sponsored by the Personnel Exchange and Information Center of the Ministry of Labor and Personnel. With the rapid development of our country's socialist modernization program, all sectors of society are calling for rapid reforms of our country's labor and personnel system in order to make the best use of the talents of our personnel. The newly founded personnel exchange center of the Ministry of Labor and Personnel is well received by units which want to exchange or hire personnel. Within 2 weeks more than 1,000 persons had registered with the center in the hope of finding an opportunity to apply their talents. Some 400 people in 19 special fields including civil engineering, the light and textile industries, transportation, the chemical industry, medicine, mechanical engineering, metallurgy, agriculture and forestry, literature and history and foreign languages participated in the first exchange meeting.

It has been learned that units which want to recruit personnel tentatively selected 170 persons today. A responsible person of the service center said that such personnel exchange meetings will be held first in the Beijing area and then will be gradually expanded in light of the situation.

CSO: 4006/594

## TRANSPORTATION

### GOVERNMENT IMPROVING HIGHWAY, ROAD SYSTEMS

OW161458 Beijing XINHUA in English 1221 GMT 16 Jun 84

[Text] Beijing, 16 Jun (XINHUA)--China now has highways totalling 915,000 kilometers, 11 times the figure in 1949 when new China was founded, according to today's ECONOMIC DAILY. This includes 706,000 kilometers of asphalt, cement and macadam roads.

China has built annually more than 23,000 kilometers of highways on an average in the past 35 years, and over 90 percent of China's townships are connected by highways and bus services, the paper said.

The roads have facilitated the interflow of goods and materials between town and country and enlivened the rural economy. China's automotive industry is facing a stern production challenge as more and more peasants want to buy motor vehicles. The number of trucks owned by peasants in 1983 came to 89,000. China has now more than two million motor vehicles nationwide.

However, at the time of liberation, only 80,000 kilometers of highways were in operation.

There are now 620,000 kilometers of local highways for rural counties and townships. There was not a single kilometer of highway in the Tibet autonomous region before liberation, but now 21,000 kilometers of highways crisscross the region.

A network of rural roads totalling 34,000 kilometers has been created in Gansu Province on the loess plateau, northwest China. With 80 counties and 1,452 communes, Gansu was the first province to provide roads to every commune, and transport service is available to 60 percent of the villages in the province.

Although China has over 900,000 kilometers of highways, its roads still cannot cope with the demands of its growing national economy.

According to the Ministry of Communications, China will build 33,000 kilometers of highways and upgrade and asphalt 15,000 kilometers of roads between 1983 and 1985 in order to alleviate strains on transport. In the future, all passenger and cargo transport within 200 kilometers will be handled by motor vehicles, the ministry said.

CSO: 4020/143

## TRANSPORTATION

### BRIEFS

SHANXI HIGHWAY CONSTRUCTION--The United Nations plans to allot funds to build Caojiapo-Zaolinpo highway in Shanxi Province's Xian County. As of 10 May, the survey task was prefulfilled by 9 days. [Text] [Taiyuan SHANXI RIBAO in Chinese 11 May 84 SK p 1]

LIAONING'S DALIAN PORT--Today Dalian port in Liaoning Province has 7 specialized loading and unloading operation areas and 48 berths, of which 23 are of 10,000-ton class. Over 85 percent of the loading and unloading work is mechanized. As of 1983, the handling capacity of the port reached over 35 million tons, about a 3-fold increase over the designed capacity. [Summary] [SK200600 Shenyang LIAONING RIBAO in Chinese 2 May 84 p 2]

REGIONAL AIR TRANSPORT NETS--Chinese provinces and regional administrative districts will, in the future, be permitted to establish, either by themselves or in cooperation with foreign airlines, their own regional air transport companies. A start is likely to be made in the south Chinese coastal province of Fujian: a new airline, based in Amoy, in conjunction with the U.S.-owned "Aloha Airlines", will begin service from Hawaii to large cities in south China and operate international routes to Southeast Asia and across the Pacific. The provinces of Guangdong and Guangxi in the south, the industrial metropolis of Shanghai and the vast central Asian region of Xinjian also intend to organize regional air services independent of the Beijing CAAC [Civil Air Administration of China]. Negotiations for the purchase of aircraft and cooperation with foreign partners have already been started. "The monopoly must be replaced by competition," was the statement of the mayor of Shanghai at a recent press conference at which he revealed his city's plans. [Article by Helmut Opletal] [Excerpt] [Frankfurt/Main FRANKFURTER RUNDSCHAU in German 12 Jun 84 p 13]

CSO: 3620/339

TAIWAN

TAIWAN LOOKING TO EUROPE TO DIVERSIFY TRADE

OW021613 Taipei CNA in English 1400 GMT 2 Jun 84

[Text] Taipei, June 2 (CNA)--Pan Chia-sheng, deputy director of the Board of Foreign Trade, is pointing out nowadays that European countries are the first market to which this nation will direct its attention in its diversification of markets policy.

He last called attention to this in a talk he gave at Friday rehearsal for the dutch flowers and products show that started Saturday and will last for five days at the Asiaworld Plaza Hotel in downtown Taipei.

Pan said the improvement in the ROC-Holland ties during the past three years is a fact everybody can see, quoting statistics that bilateral trade amounted to more than U.S. dollar 590 million in 1983, a rise of 19 percent over the previous year.

He also said in spite of the growth in trade volume between this country and other European nations, the ROC faces two economic problems: how to diversify its markets and how to upgrade the industrial structure here.

This is because over half of the ROC's trade sources come from the U.S. and Japan, whose economic situation and policies easily influence those of this country, Pan stressed, adding that market diversification, therefore, has become a firm policy not to be changed overnight.

He also revealed that in order to beef up trade between the ROC and European nations, the second European products show will be staged here in September with a view to help Europe self here.

Up to the present, 36 Dutch manufacturers have decided to take up the opportunity, he added.

CSO: 4020/142



TAIWAN TRADE SURPLUS GROWS IN JANUARY-MAY PERIOD

OW110351 Taipei CNA in English 0322 GMT 11 Jun 84

[Text] Taipei, June 11 (CNA)--The Republic of China's trade surplus in the first five months of this year widened to U.S. dollars 3.31 billion, compared with U.S. dollars 1.52 billion in the same period last year, according to statistics released last Saturday by the Directorate General of Budget, Accounting and Statistics [DGBAS] under the Executive Yuan.

The two-way trade of the Republic of China in the January-May period totaled U.S. dollars 21.1 billion, up 24.3 percent or U.S. dollars 4.12 billion from the corresponding period last year, the DGBAS said.

The DGBAS added that based on the figures of customs clearance, the nation's exports in the five-month span reached U.S. dollars 12.20 billion, showing an increase of U.S. dollars 2.96 billion or 32 percent over the same period last year, while imports totaled U.S. dollars 8.89 billion, up 15.1 percent or U.S. dollars 1.16 billion.

In May alone, exports of this country totaled U.S. dollars 2.88 billion and imports amounted to U.S. dollars 2.02 billion, both his records for single month, leaving a trade surplus of 861.7 million in favor of this country, according to customs statistics.

Other key economic indexes also released by the DGBAS included:

-- The wholesale price index from January to April this year increased by 0.6 percent, while the consumer price index lowered by 1.28 percent, as compared with the like period last year.

-- The industrial production index in April this year registered a 2.27 percent decrease as compared with the previous month, of which, utilities, including electricity and gas, down 2.29 percent, manufacturing down 2.91 percent (heavy industry down 2.62 percent and light industry down 3.3 percent), mining up 1.66 percent and house construction up 7.92 percent.

-- The unemployment rate in April decreased by 0.09 percent as compared with March, and also declined by 0.61 percent in comparison with the corresponding period last year.

CSO: 4020/142

## BRIEFS

PLANT EXPORTS TO ASEAN--Taipei, 7 Jun (CNA)--Republic of China's exports of whole plant equipment to the ASEAN (Association of Southeast Asian Nations) area rose 23.4 percent to U.S. \$230 million in 1983 from 1982, indicating that efforts to promote such exports are paying off, according to the Board of Foreign Trade (BOFT). To further enhance substantive relations between ASEAN and Taiwan, the BOFT has urged local manufacturers to increase imports of such natural resources as petroleum, lumber, rubber, corn, and minerals in order to balance trade with the region. The BOFT points out that ASEAN members have been working hard to upgrade their export products and are now shifting their exports gradually from primary products to semifinished products. Toward this end, ASEAN members are now prohibiting the export of certain resources, especially lumber. To circumvent the problems, the BOFT is encouraging local manufacturers to promote whole plant exports and procure resources from the region through joint venture projects. [Text] [OW081443 Taipei CNA in English 0328 GMT 7 Jun 84 OW]

ECONOMIC DELEGATION TO PHILIPPINES--Chairman Ku Lien-song of the Chinese and Philippine Cultural and Economic Association today left for the Philippines on Philippine President Ferdinand Marcos' invitation. The purpose of Ku's visit is to discuss ways of strengthening economic cooperation between the ROC and the Philippines. According to recent reports, the Philippines has asked this nation's monetary institutions, through unofficial channels, such as the association just named, to provide loans to help it out of its present economic predicament. [Text] [OW081127 Taipei International Service in English 0100 GMT 8 Jun 84]

ECONOMIC TALKS WITH URUGUAY--Taipei, 9 Jun (CNA)--The 2nd Sino-Uruguayan economic conference closed Saturday in Taipei after reaching a number of agreements on trade, investment, and agricultural cooperation between the two nations. A cooperation memorandum was signed jointly by Vice Economics Minister M. T. Wu, and Juan Carlos Jorge Hiriart, Uruguay's deputy minister of agriculture and fisheries, on behalf of their respective governments. Addressing the closing ceremony, Vice Minister Wu said through the three-day meeting, officials from both countries have gained deeper understanding and mutual trust which will ensure an even brighter future for further cooperation and ties between the two nations. Deputy Minister Hiriart also confirmed that this meeting has established a solid basis for future cooperation between the Republic of China and the Republic of Uruguay. Cooperation agreements

concluded during the meeting include: Uruguay will provide her seaports as a transshipment center for merchandise from the ROC to neighboring countries; the two nations will expand agricultural cooperation field and the ROC will assist to set up free trade zones in Uruguay. Several purchase contracts including orders for Uruguayan furs, hides, and grains from Taiwan importers, were completed immediately after the meeting, according to meeting officials. [Text] [OW091425 Taipei CNA in English 1404 GMT 9 Jun 84]

LOAN TO PHILIPPINES DENIED--Taipei, 10 Jun (CNA)--Governor Chang Chi-cheng of the Central Bank of China said Saturday that no negotiation regarding a big loan of between US \$75 million and US \$100 million has been conducted between his bank and the Government of the Philippines. Chang said that the Central Bank would not directly offer loans to the Philippines. In reply to the interpellation of Legislator Huang Ho-ching, Chang said one of the jobs of the Central Bank is to make good use of the nation's foreign exchange reserve. Should the government decide to provide loans to any foreign country for diplomatic considerations, Chang said, the decision is to be made by the summit authorities. According to a newspaper report, the Philippine Government has requested for a loan from the Republic of China through special channels. The newly appointed governor of the Central Bank said that the bank will take high risk to provide such a loan to the Philippines since the country's political as well as economic situations are not stable. [Text] [OW101445 Taipei CNA in English 1412 GMT 10 Jun 84]

CSO: 4020/142

HUANG JINGBO VIEWS DEVELOPMENT OF QINGHAI

HK181235 Hong Kong WEN WEI PO in Chinese 14 Jun 84 p 5

[Special interview by Chang Chien-hua [1728 1696 5478]: "Qinghai Province's Grand Prospects--Governor Huang Jingbo Discusses Development Blueprint"]

[Text] "Do not make light of Qinghai if it is now still very backward. There is much hope for its being turned into the western Australia of China." Strangely, what Qinghai Governor Huang Jingbo, passing through Hong Kong on his way home from a visit to Australia, was pointedly explaining to Hong Kong reporters with enthusiasm was not a picture of the beautiful scenery he had seen in Australia, but a blueprint for the development of Qinghai.

"Qinghai, a vast area with bountiful resources, is like the western Australia of more than 20 years ago." "Ha, no!" Governor Huang contradicted himself in a raised voice. "Qinghai abounds in water sources and energy resources. Western Australia is dry and short of water. Naturally, it cannot compare with Qinghai." "On my trip to Australia, I saw the riches of today's western Australia. I understand what they have gone through to build it. This has especially filled us with confidence in the proper buildup of Qinghai."

Bountiful Supplies of Mineral and Salt Products

"Qinghai's economy is chiefly composed of such sectors as mineral products, animal husbandry, agriculture, wild animals and plants, forestry, and so forth." Knowing Qinghai like the palm of his hand, Governor Huang pointed to the following: Qinghai abounds in mineral products. They range from gold to silver, copper, iron, and tin. There are also petroleum and coal deposits. There is especially the largest salt mine in the world of which to boast. In some parts of Qinghai, cars run on a surface of salt for a distance of up to 100 kilometers. Some people estimate that the known salt deposit in the Qaidam basin alone is enough to make a "salt bridge" six meters thick and 12 meters wide between the earth and the moon! Qinghai has the special attribute of its 50-plus kinds of known ore resources, more than 30 of which rank in the top ten for the country, and 10 of which are rated first on a national level. Qinghai is a treasure-house of resources in every sense of the word.

"The situation is especially exciting where animal husbandry is concerned," said Governor Huang, gesticulating with both hands. "Qinghai has more than 20 million head of animals of various kinds, leading all the pastoral areas of the country. The fiber of sheep's wool here is of an excellent quality. The yak flesh, as a special product, is tender and delicious. Exported to Hong Kong and foreign countries, it has been well received."

Then, what are the major plans for the development of Qinghai after all? With paper and pen, Governor Huang, who assumed office one and a half years ago, made a rough sketch of Qinghai's terrain for the benefit of the reporters. As to the direction for future development, Qinghai is generally divided into three regions. The climate in and around Xining is relatively good. Xining is to be developed into an agricultural zone. The area of Hudong has plenty of water and lush grass. It is a key base for the development of animal husbandry. There is a concentration of ore deposits in the area of Golmud. Its industry has shown an initial scale of development. It will be a place for strategic importance in the future industrial development of Qinghai.

#### The Development of Animal Husbandry First

When he first arrived in Qinghai, Governor Huang spent one month visiting its various parts. He climbed up to the Kunlun mountain pass, more than 4,800 meters above sea level, making observations all the way. He thus had the general features of Qinghai at his fingertips. He told the reporters that although there is a grand plan for dividing Qinghai into three regions for development, concretely speaking, the first step is to seek a breakthrough in the development of animal husbandry. Animal husbandry calls for a small investment and allows quick returns. In addition, there is the great potential of Qinghai's animal husbandry itself. For example, annual losses alone from the innards of animals thrown away due to a lack of equipment for processing them, from the premature death of young animals because of poor management, and so forth, are estimated at hundreds of million yuan. In this respect, Qinghai has decided to cooperate with Australia on a large scale, seeking improvements from forage grass to methods of animal keeping. In addition, Qinghai has also imported shears from Britain to improve the quality of sheep's wools and increase output. In cooperation with Hong Kong businessmen, it has imported large-sized meat processing plants. It is also planning to import equipment and technology for the processing of fodder, milk products, hides, and so forth. The aim is to bring about a major change in Qinghai's animal husbandry in a relatively short period of time, so that capital can be obtained to invest in industrial, mining, and other undertakings.

Governor Huang stressed that to realize plans of this kind we must follow the guideline calling for an open-door policy and cooperation between our country and other countries. We must actively cooperate with those representing foreign capital. More than 80 companies in Australia have asked to do business with Qinghai. Relevant groups of specialists will arrive in Qinghai shortly to hold talks. The Australian ambassador and an Australian minister have come to Qinghai many times to make investigations. In addition, during Governor Huang's few days in Hong Kong this time, many Hong Kong and foreign banks

and companies have made Qinghai offers for cooperation and investment. Governor Huang said that all those who are interested in cooperating with Qinghai are welcome to visit Qinghai for negotiations. In the days to come, Qinghai will post representatives in Hong Kong and try to open up air or shipping lines linking it up with Guangzhou and even Hong Kong as soon as possible, thus strengthening exchanges with the outside world....

Without realizing it, Governor Huang had spent two successive hours in his interview with us. Though he had traveled widely for days, he did not show the least sign of fatigue. The reporters could not help being held spell-bound by the beautiful future of Qinghai that he described with the aura and enthusiasm of a pioneer. But the hour was really getting late. All we could do was to express our heartfelt wish at the time of departure that Qinghai, guided by the open-door policy, would create a beautiful tomorrow in its determination to open up the great northwest!

CSO: 4006/595

END